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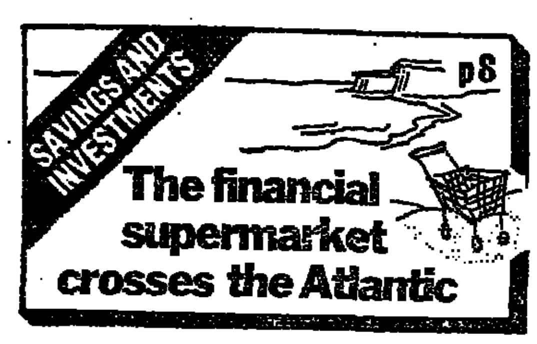
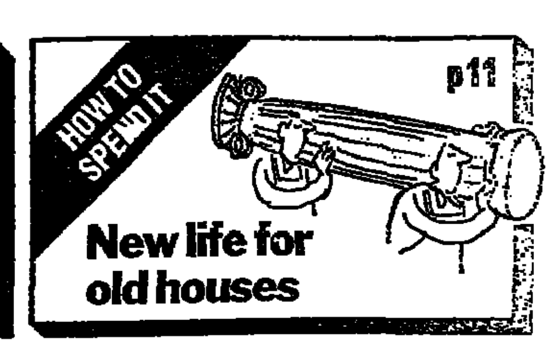




NEWS SUMMARY

GENERAL

200,000 expected at CND protest

Over 200,000 people are expected to gather in Hyde Park, London, today for what may be the Campaign for Nuclear Disarmament's biggest demonstration.

Forty trains and 600 coaches will bring them to London for two separate marches, part of a worldwide protest at the start of UN Disarmament Week, expected to involve over 1m in Western Europe.

An attempt to blockade the Defence Ministry in Bonn failed yesterday when 2,500 protesters were met by an equal number of police.

Grenada reaction

Jamaica and Trinidad and Tobago are to impose economic and diplomatic sanctions against Grenada after this week's army coup. Cuba began three days of mourning. Page 2

Kidnap rescue

Irish police rescued art-collector's wife Alma Manning after a shooting incident in Co. Wicklow. She was kidnapped hours earlier by two men.

Crash kills 16

A train crash killed 16 and hurt 133 in India's troubled Punjab state. The railway blamed sabotage by Sikh extremists, who have been agitating for more autonomy.

War stepped up

Iran claimed to have killed or wounded 2,000 Iraqis after launching a big Gulf war offensive. Iraq claimed 1,500 Iranian casualties.

Uranium inquiry

Australian Premier Bob Hawke may make concessions to left-wing opponents of uranium mining and order an inquiry into the development of the Roxby Downs find. Page 3

Valley of spies

At least 35 cases of spying, both military and industrial, are being investigated in Silicon Valley, heart of the computer industry, a U.S. official claimed. IBM, Page 2

TV sport hit

Match of the Day will be among sports programmes blacked out today as a result of a spreading dispute over allowances among BBC TV staff.

Waiting over

Val Shepherd, a waitress in Helmsley, N. Yorks, was left £162,000 in the will of a former customer. She said: "I hardly knew him."

Briefly . . .

Zimbabwe banned Israelis from entry or transit.

Hurricane Tico hit Mexico; 105 fishermen are missing.

Kenyan bandits raided a village, killing 26 people.

Japanese crimes rose 4 per cent to 2m last year.

Clocks go back

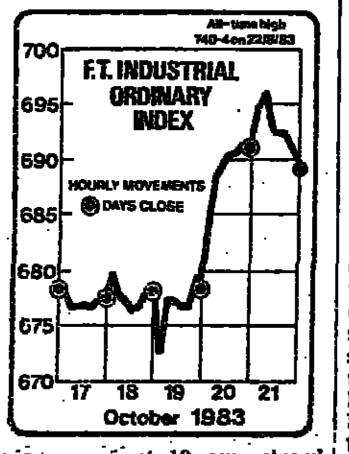
Summer time ends at 2 am tomorrow, when clock should be put back an hour.

BUSINESS

Miners call total ban on overtime

● **MINEWORKERS will start a total overtime ban from October 31, in protest at the NCB's 5.2 per cent wage offer and its accelerating pit closure programme.** Back Page

● **EQUITIES drifted lower after a buoyant start, following on from Thursday's 12.6 rise. The FT Industrial Ordinary**



index, up 5 at 10 am, closed 1.2 down on the day at 689.8—a total 11.3 higher on the week. Page 21

● **GILTS advanced. Longs gained up to nearly a point, while shorts put on up to ¼.** Page 21

● **STERLING gained 35 points to $1.502. It held at DM 3.88, FFr 11.85 and SwFr 3.155, but firmed to Y319.25 (Y348.5). Its trade-weighted index was unchanged at 83.3.** Page 21

● **DOLLAR fell to DM 2.5825 (2.5855), FFr 7.8925 (FFr 7.91), 7.91), SwFr 2.0995 (SwFr 2.104) and Y232.35 (Y232.5). Its trade-weighted index was 125.6 (125.7).** Page 21

● **GOLD rose $0.75 to $393.875 in London. In New York the Comex October settlement was $393.4 ($393.8).** Page 21

● **WEST GERMANY'S Commerzbank index rose 10.7 to 1,000, its highest level for over 23 years.** Page 20

● **WALL STREET was down 12.7 at 1,238.82 near the close.** Page 25

● **SHIPPING:** West European governments will try to sway the U.S. away from policies they feel could lead to more protectionism. **Back Page**

● **BUILDING Societies Association formally dissolved its interest rate cartel. Back Page**

● **CONOCO (UK) leads a group of oil companies that has discovered oil at Baxter's Copse, West Sussex. Page 4**

● **PEOPLE EXPRESS, low-fare U.S. airline, reported a 64 per cent surge in third-quarter earnings to $2.3m (£1.86m) on sales of $81.8m ($36.5m).**

● **INTERNATIONAL Harvester has agreed in principle with its 200 lenders a refinancing plan for much of its $3.5bn (£2.33bn) current bank debt. Page 23**

● **ALCOA, the U.S. largest aluminium producer, reported net earnings up to $77.9m (£51.9m) from $44.5m in the first nine months of this year. Page 23**

Mercury ruling may hinder further privatisation plans

BY JOHN LLOYD, INDUSTRIAL EDITOR

MERCURY Communications, the private telecommunications group, yesterday failed to secure a High Court injunction against the Post Office Engineering Union, which has been campaigning to prevent it from interconnecting with the state-owned British Telecom network.

The outcome could be of considerable significance to future attempts by the Government to privatise or liberalise nationalised industries. Such efforts are likely to meet with even stiffer union resistance after a ruling which has declared one instance of such action lawful.

In a closely argued judgment, which surprised some observers and disappointed the Government, Mr Justice Mervyn Davies told Mercury that further action for damages against the POEU was similarly unlikely to succeed.

The POEU, together with other telecommunications unions, has refused to interconnect the Mercury system—so far confined to a few subscribers in London—to the BT network. Much of the work has been done by BT managers, but Mercury argued in court that the unions' action had cost it between £500,000 and £1.5m in lost sales, and that it was designed to "throttle it at birth."

Mr Brian Stanley, the POEU general secretary, said after the judgment was delivered that the blacking of the network would continue.

"Our contention that this is a perfectly legitimate trade dispute has been confirmed by the judge. We will continue our fight against the connection of our British Telecom network to Mercury, which is asking our members to assist in taking away their own work."

A further outcome is likely to be calls from the Government's backbenches to toughen up the Telecommunications Bill when it is introduced in the House early next session.

Mercury said last night that the case demonstrated that the 1982 Employment Act left a large loophole for unions to argue that action directed against privatisation was a simple trade dispute. The company said it was very likely to appeal and would proceed to a full trial in which it would claim damages as well as an injunction.

Mr Justice Davies's judgment was that the dispute was largely between the POEU and BT, its immediate employer, and that the issue at the core of the dispute was a legitimate fear of loss of jobs.

Under the 1982 Employment Act, only action between employees and their employer is legal and the cause of the dispute must be wholly or mainly related to such issues as job loss, wages or other central questions of industrial relations.

Mercury had argued strongly that the action was not directed against BT, but against itself and privatisation.

The determining issue appears to have been the suspension by BT of a small number of POEU members in June for refusing to interconnect the Mercury and BT systems. BT's actions were taken as evidence of an employer-employee dispute and thus met the terms of the 1982 Act.

The full case for damages is expected to be heard early next year, although the appeal could be heard in the next week or so.

Why Tebbit's law proved toothless, Page 5

Fear of delay forces P & O to limit Canberra refit

BY ANDREW FISHER, SHIPPING CORRESPONDENT

P & O CRUISES has cut the scale of a planned £1.6m refit in Southampton for the Canberra, its cruise liner flagship, because of fears that the work could be disrupted by union action over British Shipbuilders' survival plan.

The drydocking at Vosper Shiprepairers, the costliest part of the refit, has been cancelled and the 45,000-ton ship will berth in Southampton docks. Limited work will be carried out.

The Canberra was to enter the Vosper drydock at Southampton on Monday. But state-owned BS has had to withdraw assurances that the two weeks' work would be completed on time.

The P & O decision comes shortly after the storm created by Cunard's choice of a West German yard to instal an all-weather deck on the QE2 at a cost of over £2m, because Vosper could not fit in the work.

Cunard was also involved in controversy earlier this year when the Cunard Countess was refitted in Malta. P & O said yesterday that it had not considered any foreign yards at this late stage for the Canberra refit, which will be done later.

P & O took the decision yesterday afternoon, a day after it was learned that another British Shipbuilders contract, an £80m oil rig order for Britoil being undertaken at Scott Lithgo, was in trouble because of delays. P & O explained that it did not want its cruise schedule disrupted. A delay in the refit would have jeopardised cruising in Australia, starting November 10 and the return voyage to the UK, involving £20m revenue over five months.

BS, where more than 3,000 workers have opted for voluntary redundancy this year, is seeking 2,100 more job losses by the end of 1983. Unions meet on October 28 to discuss possible industrial action and meet BS management on November 2.

Workers at BS merchant yards have refused to accept BS's survival plan, aimed at curbing losses and adapting the group to the depressed shipbuilding market.

BS, under its new chairman Mr Graham Day, is keen to sell or close the shiprepairing yards, regarding them as outside the main business of building ships or offshore structures.

Plans for a management buy-out at the biggest repair yard, Tyne Shiprepair, are well advanced, but unions have to say whether they will accept them. BS has said the buy-out would save 850 of the remaining 1,100 jobs, the alternative being closure.

Asked if P & O might consider foreign yards for refits, Mr Len Scott, managing director of the cruise division, said: "If the circumstances arise, we would have to do so." There is no private UK repair facility which could takes the Canberra.

Abbey man to lead Mirror Group

BY DAVID DODWELL

Mr Clive Thornton, head of the Abbey National Building Society, who brought about radical change among building societies, is to become executive chairman of Mirror Group Newspapers.

He will take over at the organisation, which publishes six titles with a combined weekly circulation of 34m copies, on January 1. This will allow him to play a prominent part in the group's flotation by Reed International during the first half of 1984. The sale could raise £100m.

Mr Thornton has had no direct experience of the newspaper industry, although his buccaneering style at Abbey National has kept him constantly in the news. A solicitor by training, he has worked at Abbey National for 15 years and was appointed chief general manager early in 1979.

By coincidence, news of his appointment came on the day the Building Societies Association decided to abandon its 150-year-old interest rate cartel. Mr. Thornton almost single-handedly forced the change on the association by deserting the cartel a month ago.

As head of Britain's second largest and most rapidly expanding building society, Mr Thornton has taken Abbey National into areas never previously touched by building societies—providing cheque accounts, for example, and supporting house building and renovation in slum areas of inner cities.

Explaining the reasons for approaching Mr Thornton, the Mirror Group's present chairman, Mr Tony Miles, said: "We were not loking for a City figure but for someone who was a character in his own right. Clive Thornton has fought his way up from the bottom and has won the confidence of the kind of people we would like to win the confidence of."

The Mirror Group is understood to believe its new chairman would have to be acceptable to the Labour Party. While Mr Thornton claims he is not a member of any political party, it is thought his efforts to direct Abbey National's funds into depressed inner city areas would appeal to Labour Party members.

Mr Thornton will earn £65,000 a year on a five-year contract with the Mirror Group. His current salary is £57,000.

Building societies end rate cartel, Back Page

UK, France will try to close gap on EEC issues

BY ANTHONY ROBINSON

THE TWO-DAY Anglo-French summit in London between Mrs Margaret Thatcher and President François Mitterrand of France ended yesterday with a pledge that they would try to narrow continuing differences on European Community issues before the EEC's Athens summit in December.

They also signalled a message of Anglo-French unity on defence matters to the Soviet leader, Mr Yuri Andropov. In addition the two countries have agreed to try to step up industrial and scientific co-operation.

Speaking at the end of the meeting—an annual event—Mrs Thatcher said both France and Britain were determined to defend their way of life. They fully supported the North Atlantic Treaty Organisation decision to deploy cruise and Pershing missiles in western Europe, failing agreement on President Ronald Reagan's "zero option" at the intermediate nuclear force negotiations in Geneva. They were determined to maintain their independent nuclear deterrents.

M Mitterrand added: "It is important that Mr Andropov should know that France will not accept that its nuclear arms are counted in the calculations at Geneva."

This, he said, would put France in the unacceptable position of having to ask permission from the U.S. or the Soviet Union to modernise its nuclear weapons. Both leaders emphasised, however, that they would continue to press for deployment of the lowest possible number of "Euro-missiles" on both sides in conditions which were "both balanced and verifiable."

M Mitterrand added that he wanted Mr Andropov to understand that France was not the enemy of the Soviet Union and wanted to see a reduction rather than an increase in "Euro-missiles."

Neither leader made any attempt to deny that wide differences remained over their respective attitudes to reform of the European Community's budget, its agricultural policy and on other issues up for decision at Athens.

Describing the tone of the meeting as "useful and very workmanlike," Mrs Thatcher said there was no point in saying that European Community problems were easy and reiterated that the UK was "primarily seeking reform of the community budget so that the burden of financing is shared more equally. She sidestepped a question as to whether Britain had already drafted contingency legislation to withhold "its budgetary contribution in the event of a deadlock at Athens.

"Let us try to get reform before anyone talks of withholding." Mrs Thatcher said, as M Mitterrand nodded agreement. She added that Britain, France and other EEC countries would be involved in detailed negotiations before the summit to try to narrow existing differences.

These centre largely on British demands for clear limits to farm spending and a safety net arrangement which would limit the contributions of the UK and other Community countries to a fixed proportion of their gross national product.

The pledge to seek common ground before the Athens summit was reinforced at the end of the press conference by announcement of the agreement on increased industrial and scientific co-operation.

● M. Mitterrand has accepted an invitation from the Queen to pay a state visit to Britain in October next year. The French President had tea with the Queen at Buckingham Palace at the start of his official visit.

Andropov visit off, Page 2

£ in New York

	Oct. 20	Previous
Spot	$1.5005-5015	$1.4980-4990
1 month	0.04-0.06 pm	0.04-0.06pm
3 months	0.14-0.16 pm	0.14-0.16pm
12 months	0.48-0.53 pm	0.51-0.56pm

Voters may trip Minister of Silly Walks

By Michael Thompson-Noel in Sydney

THE MEN who run resource-rich Queensland, which faces a bitter state election today, are anything but drab.

There is even a "Minister of Silly Walks" — Mr Vince Lester, the minority National Party Government's Minister for Employment and Industrial Relations — who likes walking backwards for charity.

Then there is Mr Martin Tenni, Minister for the Environment, who is said to hate trees and whales and once wanted to hand-grenade hippies camping in the Queensland bush.

And there is Mr Russ Hinze, the Minister for Local Government, Main Roads and Racing, an earthy, gargantuan figure, who recommends castration for sexual offenders, cannot abide feminists and makes no bones about insulting Aboriginals.

At their helm is the Premier of Queensland, the eccentric Mr Joh Bjelke-Petersen, now 73, son of a Lutheran missionary and one-time peanut farmer, who has ruled Queensland since 1968. His "divine mission"—as he sees it—is to guard the sunshine state from the tides of socialism and to preserve it as Australia's last capitalist bastion.

Whether Mr Bjelke-Petersen and his ministers will still be in charge tomorrow is problematical, for the election will be a close-run thing and follows a campaign that for acrimony and peevishness would take some beating.

Until nine weeks ago, the National Party ruled in coalition with the Liberal Party. But there was a falling out when Mr Bjelke-Petersen sacked Mr Terry White, a Liberal minister, from the state cabinet for voting with the opposition. Mr White was then elected leader of the Liberals but the Premier refused to have him back in the cabinet.

With parliament suspended indefinitely, the Premier

Continued on Back Page
Hawke backs down, Page 2

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Treas 11½pc 1989	£103¾	+ ½
Treas 11½pc 01-04	£108½	+ ½
Applied Computer	340	+ 15
Arlen Electrical	170	+ 13
Automated Security	142	+ 12
Brit Car Auction	195	+ 10
Brownlee	71	− 7
Goodman Bros	111	+ 2
Gt Portland Ests	150	+ 6
Hogg Robinson	127	+ 9
LWT Intnl	108	+ 6
MEPC	221	+ 4
Pineapple Dance	140	+ 20
Prestige	210	+ 25
Saatchi and Saatchi	500	+ 15
Vosper	255	− 25
WW Group	132	+ 13
Eglinton Oil & Gas	260	+ 15
Metana	112	+ 16

FALLS		
Barratt Devs	182	− 8
Burnett H'shire	265	− 25
Eagle Star	525	− 7
ICI	552	− 6
Phoenix Assurance	334	− 14
Prudential	420	− 18
Royal Insurance	478	− 20
Sidlaw	376	− 10
Strong and Fisher	79	− 4
Gld Mns Kalgoorlie	570	− 20
Simmer Jack Mines	290	− 50
South African Land	409	− 35

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£150,000	£ 33,000
£200,000	£ 56,750
£250,000	£ 83,250
£300,000	£112,250
£350,000	£142,250
£400,000	£172,250
£450,000	£202,250
£500,000	£232,250

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Andropov postpones visit to Sofia

BY ANTHONY ROBINSON

THE SOVIET President, Mr Yuri Andropov, has postponed a scheduled visit to Sofia, the Bulgarian capital, next week at which he was widely expected to make one last effort to break the deadlock at the intermediate nuclear force (INF) talks at Geneva with a new "peace initiative."

The postponement, announced by Bulgarian officials in Moscow, has heightened speculation that Mr Andropov's health has deteriorated again or that a divided Soviet leadership needs more time to formulate a new INF move.

The 69-year-old President has not been seen in public since August 18 when he met visiting U.S. senators at the Kremlin, although he did meet Mr Ali Nasser Mohammed, the South Yemini leader at the end of September. The latter meeting, however, is believed to have taken place at a spa town in the Caucasus where Mr Andropov has his holiday home and takes the waters for his kidney and other ailments.

Although absent from the public gaze, Mr Andropov has continued to make important official policy statements, including an interview in Pravda in late August offering to destroy any intermediate-range missiles bargained away at the Geneva talks, and a fierce personal attack on President Ronald Reagan and U.S. foreign policy a month later.

The task of explaining the Soviet action in shooting down the South Korean airliner last month, however, was left mainly to Marshal Nikolai Ogarkov, the Soviet chief of staff, and other officials.

Western diplomats in Moscow also note that General Wojciech Jaruzelski, the Polish leader, was expected to come to Moscow to be presented with the Order of Lenin on his 60th birthday in July. Soviet protocol dictates that such high awards are presented personally by the Soviet leader. He has still not made the trip to Moscow.

It was also thought that Mr James Callaghan, the former British Prime Minister, currently visiting Moscow, might also have been granted an interview with Mr Andropov. Yesterday, however, he met Mr Andrei Gromyko, the Foreign Minister, instead.

Meanwhile, other reports from Moscow indicate that Mr Konstantin Chernenko, the 71-year-old politburo member reported to have been Mr Andropov's main rival in the succession to Leonid Brezhnev, has been eased out from his power base as secretary of the powerful central committee general department. He is also said to be in ill health.

The new head of the department is Mr Klavdii Bogolyubov, the former deputy head. Mr Chernenko's demotion is seen as a sign that internal opposition to Mr Andropov has been reduced, although reports of the President's illness cast doubt on his ability to benefit fully from this development.

Airlines sue U.S. agency over DC-10 flight ban

By John Davies in Frankfurt

TEN EUROPEAN airlines have taken legal action to seek damages from the U.S. over the grounding of McDonnel Douglas DC-10 airliners in 1979.

Lufthansa, the largely state-owned West German airline, said yesterday a formal claim had been lodged with a Washington court, seeking a total of \$100m (£66.7m) compensation from the U.S. Federal Aviation Authority (FAA).

This legal step will enable the court to rule on the principle of whether damages are justified. If the proceedings go further they will then deal with the precise damages total and how it might be split among the airlines.

The FAA issued a precautionary directive which led to the temporary grounding of DC-10s after an American Airlines DC-10 jetliner crashed in Chicago in May 1979 with the loss of 273 lives.

Lufthansa said that, along with nine other European airlines, it had decided to seek compensation

AP-DJ adds from Washington: Mr Dennis Feldman, of the FAA, said agency lawyers had not seen the suit and could not comment on it in detail. In addition to Lufthansa, the plaintiffs are Balair, a subsidiary of Swissair, Finnair, Iberia, KLM Royal Dutch, Alitalia, SAS, Sabena, Swissair and UTA.

Caribbean nations hold summit talks on more Grenada sanctions

BY CANUTE JAMES IN KINGSTON

JAMAICA and Trinidad and Tobago will impose economic and diplomatic sanctions against the island of Grenada, where the Army has taken over the Government after executing Mr Maurice Bishop, the former Premier, and three of his Cabinet ministers.

Other Caribbean countries are expected to take similar action after an emergency summit of the Caribbean Economic Community, taking place in Barbados this weekend.

Reports from Grenada say the Army is in full control, following the imposition of a 24-hour curfew. The death toll in Wednesday's clashes is apparently higher than the 10 first reported.

Mr Edward Seaga, the Jamaican Prime Minister, announced on Thursday that his country will break diplomatic relations with Grenada until constitutional government is restored. He said Jamaica would suspend all trade with Grenada prevent Grenadian political leaders from entering Jamaica, and ask the Inter-American Commission on Human Rights to investigate the conditions of political detainees on that island.

Mr Seaga said he would be making an effort to change the Carlcom treaty to make the expulsion of members less difficult. Grenada is one of the 13 members of the community, which is comprised of the region's English-speaking countries.

Mr George Chambers, the Prime Minister of Trinidad and Tobago, said Grenadians would now need visas to enter Trinidad and Tobago, and that duty free treatment for imports from Grenada were being cancelled.

Mr John Compton, the Prime Minister of St Lucia, has proposed that the Eastern Caribbean Central Bank, the monetary authority for several islands including Grenada, stops the supply of currency to the island.

Mr Michael Manley, leader of the Jamaican Opposition, and whose Peoples National Party had friendly ties with Mr Bishop's New Jewel Movement, said all links with the Grenadian party were being cut.

Bishop falls at U.S. fences

BY ROBERT GRAHAM

THERE WAS a cruel irony in the fate of former Grenada Prime Minister, Mr Maurice Bishop. He was executed on Wednesday in the Fort Rupert army barracks—named after his father who was killed by police in 1974 when taking part in demonstrations against the then Prime Minister, Sr Eric Gairy.

His violent death, along with three Cabinet colleagues and an as yet unknown number of civilians, adds a bloody chapter to the country's four-year-old experiment in a distinctly Caribbean brand of marxism.

The tributes now being paid to this charismatic 39-year-old lawyer, who was trained in London, contrast sharply with the marxism which many in the Caribbean and the U.S. sought to attribute to him while he was in power. He was in fact always far more of a pragmatist than he was given credit for and those who knew from his early days of opposition to Sir Eric talk of him more as an idealistic liberal.

Everything suggests that his bloody removal was the result of a power squabble. Earlier this year he set out to try to mend fences with the U.S.; and in June he spent 10 days there attempting to convince the Reagan Administration that Grenada did not wish to be considered a second Cuba.

Rather he sought to correct the increasing drift towards Cuba and the Soviet Union that U.S. hostility was encouraging. This provoked a rift within the New Jewel Movement (NJM) which he founded. His main opponent, Mr Bernard Coard, the Deputy Prime Minister, was firmly opposed to any dialogue with Washington. As a hardline marxist, Mr Coard championed closer links with Cuba and the Socialist countries of Eastern Europe.

Mr Bishop also alienated a faction within the NJM jealous of the popular appeal that enabled him increasingly to ignore the principle of collective leadership. Mr Coard had none of Mr Bishop's charm and frequently his behaviour was considered dully doctrinaire—something which went down badly in this small easy-going community of 105,000 inhabitants.

The Premier's opponents probably understimated the popular reaction to his detention last week; and indeed the large crowd that freed him seems to have unnerved Mr Coard and key figures in Grenada's small army. This is one explanation for his execution after being re-arrested.

Mr Coard has disappeared for the moment, though he is the logical person to assume power.

Further violence by Mr Bishop's supporters on the island, one of the most spectacularly beautiful in the Caribbean, cannot be ruled out. He has support among some of the junior officers in the army and a sizeable segment of the population.

His death removes the main moderating force in the NJM. He was the one who sought to retain private investment and soothe the middle class, many of whom left at the time of the Gairy overthrow. It also makes an accommodation with the U.S. far more difficult, especially if Grenada pulls more towards the Soviet Union and Cuba.

However, Cuba has been highly embarrassed by the incident and the very length of its denials and condemnation indicates its concern at developments.

Cuba has supplied up to \$28m in services and materials for the construction of Grenada's new airport. This project was a dream of the NJM and particularly Mr Bishop who saw it as the means to develop a tourist industry.

The U.S. administration however, accused him of building it as a military facility for the Soviet Union and Cuba.

These accusations are now likely to resurface.

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W. Germany may tax steel imports

By Paul Cheeseright in Brussels

HERR Hans Dietrich Genscher, the West German Foreign Minister, yesterday threatened the use of border taxes to protect the country's steel industry against foreign imports.

In talks with the European Commission, Herr Genscher criticised the level of steel imports at a time of great difficulty for the West German industry and attacked the Commission's supervision of subsidies used for the restructuring of the EEC steel industry. He also complained about the level of quotas awarded to West German steel companies under the EEC steel controls regime.

According to Commission officials, Herr Genscher brought no new proposals with him. The border taxes threat was designed to draw attention to the industry's plight, they said.

Herr Genscher also revived the argument that if the West German Government has to spend money supporting its steel industry it will not have enough funds for new initiatives to reinvigorate the EEC.

His sudden visit to Brussels was thouhgt to be prompted by internal political motives.

Banks delay credits for Peru

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

PERU'S creditor banks are effectively withholding \$200m (£133m) in fresh credits because of the country's failure to meet economic targets agreed with the International Monetary Fund.

The total is nearly half the \$450m credit committed by the banks for Peru earlier this year as part of a rescue package designed to allow the country to continue servicing its \$11.5bn foreign debt. So far Peru has been able to draw only \$250m of this money.

The remainder was due to be drawn in two tranches of \$100m, one in early September and the other on December 1, but the September drawing was never made because Peru at that time had failed to complete arrangements to roll over some \$2bn in short-term debt.

Drawing of the final tranche carries an express condition that Peru is in good standing with the International Monetary Fund, but bankers now expect that the Government in Lima will be unable to agree a revised economic programme with the IMF by early December. As a result the final drawing is expected to be delayed as well.

Peru's problems with the International Monetary Fund are clearly imposing great strain on its foreign exchange cashflow. Earlier this week Peru was reported as having sold some \$75m worth of silver to bolster its cash resources.

It was also unable to draw some SDR 62.5m from the IMF in September and a drawing in December is to be postponed till a new IMF agreement is reached.

Peru's failure to stick to its IMF programme stems mainly from its budget deficit which currently looks set to rise to nearly 9 per cent of economic output, more than double the 4.1 per cent target.

Economic problems have been aggravated by a series of natural disasters—including both flooding and drought—and the economy is expected to shrink by a large 8 per cent in real terms this year.

IBM computer theft case settled

BY LOUISE KEHOE IN SAN FRANCISCO

MITSUBISHI ELECTRIC has pleaded no contest and two of its employees have pleaded guilty to charges of attempting to transport stolen IBM computer secrets to Japan.

The company and individuals were each fined \$10,000 in a San Jose California court on Thursday.

The court's hearing brought to an end the trade secrets theft scandal which rocked U.S.-Japanese trade relations last year.

It resolves the last of the criminal charges arising from an undercover FBI investigation, in Silicon Valley which caught employees of Mitsubishi and Hitachi trying to buy confidential IBM documents from an undercover agent, who acted the part of an industry consultant.

Hitachi and some of its employees pleaded guilty to similar charges last February. Earlier this month Hitachi settled out of court

IBM says it has no intention of suing Mitsubishi because the company has not had an opportunity to use the IBM information.

A Mitsubishi employee carrying IBM documents was arrested on board a plane bound for Japan last year.

A civil suit filed by IBM against National Advanced Systems, a subsidiary of National Semi-Conductor, which sells Hitachi computers in the U.S. and Europe, is still outstanding.

New anti-union law in NZ

By Dai Hayward in Wellington

THE NEW ZEALAND Government of Mr Robert Muldoon yesterday rushed provisional legislation through Parliament which would deregister the Public Service Association, the trade union representing the country's 69,000 civil servants.

The legislation was enacted to head off a planned series of work stoppages by 1,200 electricity generating workers who are in dispute with the Government over the effects of a wage and price freeze. The freeze is expected to end in March.

in Next week's FT

— Why is British Rail selling micro-computers? see the Technology Page.

— Continuing the series "Europe's New Entrepreneurs", the Management Page takes a look at Luciano Benetton.

— Telecom—the biggest technology survey for 12 years highlights the era of monumentous change in World Telecommunications.

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Hawke may hold inquiry into uranium mining

BY MICHAEL THOMPSON NOEL IN SYDNEY

THERE WERE firm signs last night that Mr Bob Hawke, the Australian Prime Minister, is preparing to make concessions to left-wing opponents of uranium mining and to authorise a major inquiry into the proposed development of the massive Olympic Dam uranium find at Roxby Downs in South Australia.

Hawke . . . considering inquiry

The inquiry may also consider whether Australia's existing uranium mines, Ranger and Nabarlek are to be allowed to negotiate fresh export contracts. Ranger is operated by Energy Resources of Australia, Nabarlek by Queensland Mines.

The uranium controversy is the single most contentious issue dogging Mr Hawke's Australian Labor Party (ALP) Government, which won power last March.

The Prime Minister favours the mining and export of uranium, of which Australia has the world's largest reserves.

But he is opposed by powerful, anti-nuclear, left-wing and Labor groups. He is also saddled with an official party pledge to wind down the uranium industry and repudiate all existing sales agreements, probably without compensation.

Mr Hawke is believed to have been persuaded to soften his pro-uranium stance by a group of key ministers worried that his attitude would harm Labor morale.

They include Mr Bill Hayden (Foreign Affairs), Senator John Button (Industry and Commerce), Senator Peter Walsh (Resources and Energy) and Mr John Dawkins (Finance).

To date, Mr Hawke has spurned the ALP left and totally dominated the Cabinet. Polls this week on the eve of the Queensland state election showed him to be the most popular Australian Prime Minister in 15 years.

Yet a weakening of his resolve on uranium might damage his authority, alarm trade partners, and worry foreign investors.

Last night, Mr Doug Anthony, leader of the National Party, said Labor's attitude on uranium was a "tragedy" for sensible resources policy in Australia."

However, Mr John Bannon, the Labor Premier of South Australia, said he could see "no objection" to development of the Olympic Dam find, which is thought to contain more than 1m tonnes, of uranium, as well as very large quantities of copper, gold and silver.

Partners in the Australian $1.7bn (£1bn) project, are Western Mining Corporation (51 per cent) and BP Australia, neither of which wished to comment.

Philippines suspends short-term repayments

By Abby Tan in Manila

THE PHILIPPINES has suspended payment on its short-term debts of $3bn, the Prime Minister, Mr Cesar Virata, said yesterday. The Government is trying to transfer some of these to medium-term facilities.

A proposal to this effect will be presented to the economic sub-committee created by the 10-bank advisory group which this week endorsed the Philippines' request for a 90-day rollover of its short-term debts.

Mr Virata, who is also Finance Minister, stressed that trade financing is exempted from the standstill, although he acknowledged that Philippines domestic banks have frozen letters of credit.

Because of the difficulty, the country is trying to secure U.S. Export-Import Bank guarantees for imports of food, raw materials and spare parts.

Malaysia trims development

By Wong Sulong in Kuala Lumpur

THE MALAYSIAN Government yesterday presented a budget of $11.6bn, preferring to cut development spending heavily rather than raise taxes.

The reduction in development expenditure by 23 per cent to $3.3bn is aimed at reducing reliance on external borrowings, since the country's foreign debt now stands at $7.6bn, an increase of 365 per cent since 1980.

New taxes to be raised next year will amount to $142m.

TOKYO ECONOMIC PACKAGE DESIGNED TO INCREASE GROWTH RATE

Bank of Japan cuts discount rate by 0.5%

JAPAN yesterday formally unveiled a six-point economic package containing measures to stimulate the domestic economy, encourage imports and stabilise the yen by increasing capital inflows.

The announcement of the package coincided with a 0.5 per cent cut in the Bank of Japan's discount rate, the first since the end of 1981. The discount rate, combined with stimulative measures in the package, are expected to increase Japan's growth rate by about 0.4 per cent during the current fiscal year and by 0.8 per cent next year.

The Government, however, is not revising upwards its original 3.4 per cent growth forecast for the current year. Without the measures contained in the package growth would have fallen well short of target, officials admitted yesterday.

The main features of the section of the package dealing with Japan's domestic economy are a cut of Y1,310bn (£3.5bn) in income tax and resident's tax, the greater part of which will not take effect until next year and a promise to expand public works expenditure by Y1,880bn.

"Additional" public works expenditure promised in the package, however, include disaster relief measures which would have had to be taken anyway and "advance contracting" of public works to be undertaken in 1984.

The real increase in public works spending likely to result from the package during the current year is therefore almost certainly less than Y1,880bn.

Apart from allocating more money for public works the package spells out proposals for "introducing the vitality of the private sector" into public works by relaxing zoning regulations in cities and making greater use of publicly-owned land.

The package also indicates that Japan's nine privately-owned electric power utilities will be "guided" to increase their expenditure on new plant and equipment by Y620bn during the current year.

Government "guidance" to the electric power industry to increase or decrease its investment has frequently been used in the past in the fine tuning of Japan's economy.

The sections of the package dealing with market opening and import promotion plans to accelerate Japan's cutting of tariffs on manufactured goods beyond the timetable laid down by the Gatt Tokyo round.

Japan has also promised to expand its generalised system of preferences on manufactured goods imported from developing countries.

A final section of the package aims at stabilising the exchange rate of the yen by prompting the inflow of foreign capital. Measures include legal adjustments designed to allow Japan to place foreign currency denominated bonds in overseas markets.

Japan's official institutions, such as the Japan Development Bank, which have already floated bonds in Europe will be encouraged to borrow in the U.S. as well.

The package drew a mixed reaction yesterday from Japanese commentators some of whom pointed out that its various sections seemed likely to work in contradictory directions.

Foreign diplomatic commentators said that a 0.4 per cent increase in Japan's rate of growth during 1983 could be expected to lead to an increase of approximately 1 per cent in imports.

Hong Kong's floundering currency enters calmer waters

BY ALAIN CASS, ASIA EDITOR, IN HONG KONG

IT HAS BEEN quite a week for the world's third largest foreign exchange market.

Last Monday, the first day of Hong Kong's new fixed exchange rate system, a wealthy Chinese tycoon walked into his local bank. He withdraw his entire balance — HK$36m (£3m) — in cash to the astonishment of counter staff. The man then found the best rate at which another bank would sell him U.S. currency—HK$7.81 it is said.

He converted the entire sum into the American currency which he then promptly resold at the prevailing rate of HK$7.95 to one U.S. dollar. By the end of the day, "he had made a tidy little sum," as a senior official said. He was not the only one.

After a week of confusion, as even foreign exchange dealers grouped to fathom the workings of Hong Kong's new system, a semblance of order has been restored. Only two weeks ago the Hong Kong dollar appeared to be in the terminal stages of politically-induced neurosis. Yesterday, it settled down close to the official rate of HK$7.80 to its U.S. counterpart.

Even hardened cynics—and they don't come much harder than Hong Kong's businessmen —were ever so hesitantly using the word "confidence" again.

Yesterday, the Hong Kong dollar was trading at around HK$7.75/7.80. This contrasts to more than HK$8.00 before Saturday's package and the mid-September low of HK$9.50 to its U.S. counterpart. Thursday's moderately optimistic statement out of the talks in Peking also helped.

Under the new system the Hong Kong dollar note-issue has been pegged at HK$7.80 to the U.S. dollar, abandoning a decade of floating rates. This fixed exchange rate only applies to notes traded among the territory's banks and between the two note-issuing banks (Hongkong and Shanghai Bank and Chartered Bank) and the Government-operated exchange fund which holds the colony's reserves.

The theory of the system is that arbitrage — the process by which money-dealers profit by the difference in the buying and selling price of a currency — would ensure that no great gap appeared between this fixed rate and the free market level. This is because, as Hong Kong dollar demand rose, the money supply would contract, interests rate would rise (which they have) and the territory's currency would level off at around the official rate (which it has).

Another advantage, say officials, is that the exchange rate system should, in theory at least, stay in line with the territory's balance of payments. Banks, who now have to deposit foreign currency with the exchange fund in return for certificates of indebtedness, will only do so if they have a surplus of foreign exchange. This week has seen a reassuring inflow into Hong Kong.

The system has also created problems, however, by shifting the financial pressures caused by political uncertainty from the exchange rate to the banking system.

The most immediate has been a steep rise in interbank interest rates. These shot up midweek to around 40 per cent, squeezing hard Hong Kong's excessively geared property market which is, in any case, going through the worst slump for years.

Some economists believe the squeeze may threaten the territory's economic recovery. A stronger exchange rate, exporters commented, would also affect their competitiveness abroad.

"Against this," commented one trader," the new fixed rate has given us a degree of certainty we haven't had for ages. Whether you're importing or exporting you can now quote forward with a reasonable degree of confidence."

In the short run the system appears to be working. In the long run however, warned one economist, there may be two problems.

"The first is that the fixed exchange rate only affects notes which accounts for 10 per cent of money supply. The vast bulk of the monetary system is therefore beyond the system's reach."

The second problem is that, although the new system has apparently given investors in Hong Kong a renewed sense of confidence in their currency, the slightest upset in the talks between Britain and China could send confidence, and with it the dollar, into another nosedive.

James Buxton visits a once-booming city state

Trieste, outpost of modern Italy, settles into comfortable decline

"YOU MUST never forget that Trieste is where east meets west," said a lady there. And she did not just mean that Trieste is where Western Europe meets Eastern Europe, in the form of Yugoslavia. She meant that Trieste is where western civilisation meets the Slav barbarians.

That attitude does a lot to explain the melancholy predicament of this lovely city, once the port and financial centre of the Habsburg Empire, now an outpost of modern Italy, detached from its natural hinterland. Its once proud shipping fleet run down, its population ageing and in decline.

The sad thing about Trieste is that its people want desperately to be as Italian as anyone else, but also want to be special and have preferential treatment. This, they believe, they have never had from the government in Rome.

Trieste was always a city state, an urban entity whose Italian population never spilled over into the surrounding countryside where part of Italy's Slovene minority lives within a mile or two of the city.

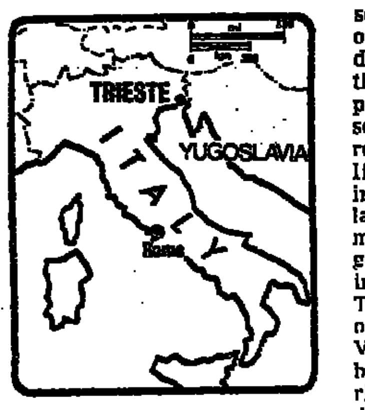
When the Austro-Hungarian empire looked like breaking up the Triestini were determined not to go with the south Slavs into Yugoslavia; they strove to join the new Italian state and their desires were strongly reciprocated in Rome. Trieste became part of Italy in 1919.

Tito's partisans

But at the end of the Second World War the Yugoslavs, in the form of Tito's partisans, occupied Trieste and showed every sign of wanting to keep it ("this is the only place in Western Europe that has lived under Stalinism," says a Triestino). But after two months the Allies made the Yugoslavs withdraw a little way and in 1954 Italy and Yugoslavia formalised the de facto border which meant the loss of much Italian territory. Trieste is not just an enclave, connected to the rest of Italy by a narrow coastal strip. The railway station is the end of the line, and feels like it.

Relative decline set in after the war. Trieste's shipping and port never boomed again because the city is too far from Italy's industrial heartland of the Po Valley and has bad connections to Central Europe. The old main line from Trieste to Vienna runs through Yugoslavia, and Yugoslavia imports the needs of it northern Slovenia region through Koper or Capodistria (just across the border) and Pola. As the trans-Atlantic liner has died so the prestigious liner pier on Trieste's waterfront has fallen silent. Port traffic is said to be about what it was in 1913.

Many Triestini blame the Rome government for not making Trieste the cficif port of north-east Italy (that is now Venice) and for not putting in good connections to Central Europe. Only recently did work begin on doubling the alternative railway line through Italy to Austria.



Instead the state invested in heavy industry, a steel plant, shipbuilding and a factory for making ship's engines. But these have suffered the twin misfortunes of being in traditional, now declining sectors, and being under the mediocre management of the state conglomerate IRI. Now the city faces the threat of 4,000 job losses as IRI considers long-overdue surgery on its workforce.

Trieste had success, though, as a bazaar for Yugoslavia, supplying the consumer goods that the communist state couldn't make and didn't wish to import. Train and busloads of Yugoslavs poured into the city every weekend, even from southern Yugoslavia, and bought anything from coffee and jeans to outboard motors and marine paint. What did not cross the border legally was handled by smugglers.

But a year ago the financially desperate government in Belgrade, alarmed at the haemorrhage of foreign exchange, imposed draconian restrictions on its people: those crossing borders had to make heavy deposits with the state first, and the special trains and buses were cancelled. The Dinar was sharply devalued. Trieste, with enough shops for a population of 500,000, but only 280,000 people, reeled, and up to 3,000 shop assistants lost their jobs.

Yet not all Triestini seem to mind the restrictions and their effect. They have always been suspicious of what they see as Rome's policy of trying to push Trieste into a closer relationship with Yugoslavia while keeping it firmly Italian. Many people in Trieste were pleased to see the back of the scruffy Yugoslav shoppers and glad that the immigrant shopkeepers from Sicily and Naples who served them had burnt their fingers.

Other Italians call that an attitude of Bourgeois complacency, and say that Trieste has only itself to blame for many of its misfortunes. They blame the city's leaders for letting the port become inefficient, and for letting state industry suffocate small industrial concerns. But the strange thing is that despite the economic blows hat have rained down on it, Trieste looks remarkably well-off and content.

A survey by the research organisation Censis showed that Trieste had the highest standard of living in Italy, taking into account personal income, savings, number of TV sets per head, petrol consumption and so on. Out of the population of 280,000 no less than 105,000 draw state pensions. No less than 28,000 (out of an active population of 91,000) have secure posts in the state, regional and city bureaucracies. If you add those in state-owned industry, at least half the population receives a weekly payment from the state. Wealth is generated by trade and by the insurance industry (of which Trieste is Italy's capital). The orderly squares reminiscent of Vienna, and the leafy streets behind the seafront where the rich live, look far from depressed.

Sra Aurelia Gruber Benco, a redoubtable 78-year-old lady who was an MP for Trieste until this year, admits that Trieste has "lost its way." She thinks Rome should have preserved the special status the city had under the Habsburgs and made it into a free port for Europe. Instead, she says, "we have become pawns in a kind of ost-politik of Rome."

She points to the Treaty of Osimo, signed by Italy and Yugoslavia in 1975. It provided for the creation of a duty-free industrial zone on the fine, wooded, Carso Hills behind the city. There was talk of building a car assembly plant run by Fiat using mainly Yugoslav labour.

The treaty set off a genteel revolt in Trieste, in which Sra Gruber Benco played an important part, and which for a time broke the mould of Italian politics. The Triestini did not want the Osimo project—for them it meant immigration particularly of Slovenes, pollution and the loss of almost the only place for inland excursions the city affords.

Political spectrum

The opposition to the treaty swelled into a political party of its own, drawing support from most parts of the political spectrum. The list for Trieste, as it was called or became the biggest party in the city, in 1978, providing the mayor and weakening the domination of the old parties. It succeeded in blocking the Osimo project for good. But it has now lost some of its appeal, did poorly in the general election this summer and is in danger of splitting into left and right now the mayor is a Christian Democrat.

Now Trieste doesn't know which way to turn. The government has vaguely promised financial aid to start a new industrial zone in a more suitable location by the sea but no one knows when that will happen and where the labour force will come from.

There is an idea to create a centre for high technology research in Trieste, making use of the city's high educational levels, and it is hoped that this would generate an advanced electronics industry. There is talk of a coal terminal to serve Austria. But finance is short everywhere and in an atmosphere conditioned by years of dependence on the state, nothing looks like being done in a hurry. So the comfortable decline goes on.

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Trade union and police Bills set to be published

BY JOHN HUNT

TWO MAJOR pieces of government legislation for the new session of parliament, the Bill on trade union reform and a revised version of the controversial Police and Criminal Evidence Bill, will be published in the middle of next week.

But the trade union Bill will not at this stage contain provisions making it easier for members to contract out of the political levy to the Labour party.

Mr Tom King, the Employment Secretary, is discussing this with the TUC and hopes that agreement will be reached by January. If not, the Government would introduce a clause during the later stages of the Bill allowing trade unionists to contract in to the levy—making it simpler for them to refuse to pay it.

The legislation will, however, contain the proposals giving trade unionists the right to hold ballots every 10 years on whether they wish their union to continue paying the levy. It will also include the provisions for strike ballots and ballots for the election of trade union governing bodies.

It is believed the Police Bill will make a major concession to critics by providing for the tape recording of interviews with suspects in police stations.

The Police and Criminal Evidence Bill fell when the general election was called because it had not completed its passage through the Commons. There had been much criticism of the stop and search powers and the extended powers of detention which it contained. The Home Office argues that the Bill was only codifying powers already in existence.

But there was also disquiet because the Bill did not include the Royal Commission's recommendation for an idependent prosecution service and tape recordings of suspects.

The new legislation is said to contain significant changes but not of a sweeping nature. MPs expect there will be a concession on tape recording. But the Bill would not include proposals for a new prosecution service as this would be a scheme of such magnitude that it would have to be dealt with by a separate Bill if the Government decided to proceed with it.

The session, which opens on Monday, promises to be lively with opportunity for attacks on the Government by Labour under Mr Neil Kinnock. On Wednesday he will open a debate on a Labour motion criticising the government cuts in the National Health Service. Mrs Thatcher is sticking by her decision not to take part.

On Tuesday Labour will be opposing three government motions which pave the way for the privatisation of British Gas Corporation's North Sea oil producing and exploration interests.

Major BSC investment urged at Rotherham

By Nick Garnett, Northern Correspondent

THE BOARD of the British Steel Corporation is understood to be under pressure from its special steels division to invest up to £40m in new continuous casting facilities at its Aldwarke works in Rotherham, south Yorkshire.

A decision to streamline production of semi-finished steel at Rotherham would secure the future of the works. Aldwarke forms part of the Government's Phoenix 2 plan to rationalise engineering steel capacity and to privatise BSC's capacity.

BSC and Guest, Keen and Nettlefolds are understood to be close to agreement on rationalisation involving BSC's works at Rotherham, Stocksbridge, Tinsley Park, Templeborough, GKN's Brymbo works in north Wales and Hadfields in Sheffield, which GKN and BSC jointly control. BSC has continuous billet casting at Templeborough and uses similar technology to produce small diameter rounds at Stocksbridge.

Though BSC declined to talk yesterday about the Rotherham caster, shop stewards said a special expenditure application for the machine had been submitted from divisional level.

It has been assumed that Phoenix 2 will result in the closure of Hadfields. A conditional contract has been signed for the formation of Hadfield Holdings, with GKN and BSC each holding 37½ per cent and Lonhro, Hadfield's owners, 25 per cent.

Demand for engineering steel is 800,000 tonnes less than the industry's capacity and removal of Hadfields would only take out 100,000 tonnes.

That would leave a questionmark over Brymbo and BSC's Tinsley Park plant in Sheffield. GKN has said Brymbo has a viable future but that falls short of promising its safety under Phoenix 2.

If Aldwarke receives a caster much of its output is likely to go to BSC's nearby Thrybergh barmill which also receives billet from Castleborough.

A third caster in south Yorkshire would give the area greater steel-making flexibility while improving production costs of the grouping which emerged from Phoenix.

Raymond Snoddy reports on the attractions of racing for multi-channel television

Backing horses to lure cable TV watchers

HORSE RACING is emerging as a good each-way bet for cable television programmes. Sports channel providers and new and existing cable operators see racing as a lively prospect for attracting subscribers.

When the multi-channel systems start to spread they will also give the punter the ability to place bets by cable. Rediffusion, the largest cable operator, has already carried out a home betting experiment using teletext.

ITV companies are losing interest in mid-week racing because of the relatively low audiences it attracts. Central Independent TV and TV South have cancelled their mid-week slot.

The International Racing Bureau, a marketing and news organisation for the racing industry, is negotiating with cable interests on behalf of the Race Courses Association.

Mr Nigel Payne of the IRB represents 43 out of the 59 race courses in Britain. The others have contracts with either the BBC or ITV. Mr Payne said: "I am convinced that cable will be a very big new source of income and a major cash injection for racing but it will take time."

The hard-core punters are insufficient to interest all ITV companies but are enough for cable TV.

Mr Payne said: "People say to me, who wants to watch Catterick on a Tuesday? But look how many are in the betting shops betting on Catterick on a Tuesday."

The IRB believes racing is ideal for cable because it is a national sport and there is racing every day of the year apart from Good Friday, Christmas Day and Sundays. The growth of the cable networks based on multi-channel cable would allow punters to use the interactive services to place bets.

The IRB suggests that race courses will accept almost nominal sums to allow the cable market to build up. But they are likely to want editorial control.

Mr Payne believes the pictures could be provided by the technical services of race courses—updated if necessary.

The IRB propably will seek a national deal with a sports channel provider rather than negotiate with cable operators. But Mr Payne emphasises the IRB is still talking to everybody.

One contact is Mr Bob Kennedy, managing director of Screen Sport which has a contract to provide a sports channel for Rediffusion from early next year on existing cable networks cleared of conventional television signals. Mr Kennedy hopes to present live racing next year on Screen Sport which plans to run 54 hours of sport a week.

Other groups intrested in live horse racing include Select TV, which runs for pilot cable schemes. It plans to show the 20,000 people who receive the service in Milton Keynes racing on an experimental basis in the next few months.

Another group, Cable Sport and Leisure is believed to be thinking about organising new races and is seeking sponsors.

Lotus scraps M90 for bigger sports car

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

GROUP LOTUS has scrapped its M90 sports car project. Instead it will develop a bigger sports car, code named X100, which will still rely heavily on mechanical components supplied from Japan by Toyota.

Mr David Wickins, who took over as Lotus chairman a week ago, said the X100 would cost a maximum of £4m to develop against over £37m for the M90.

The cost of the X100 will be kept down because Toyota, which owns 17 per cent of Lotus, will provide engine, gearbox and most other mechanical parts and will also contribute more in terms of research and development.

Mr Mike Kimberley, managing director of Lotus, said the X100 would still have a European content of over 80 per cent measured by ex-works value because Lotus cars were mostly hand-built so the labour content was high.

The M90 was intended to be a two-seater but the X100 will be a two-plus-two (an occasional four-seater with restricted room in the back).

It will have a 1.6-litre, four-cylinder engine at the front driving the rear wheels and be available either as a hard-top or convertible. It will cost under £10,000 at 1983 prices to attract the younger male sports car enthusiast.

Output will begin towards the end of 1985 at an initial annual rate of 1,500, rising to 3,000 in three years. More than 60 per cent will be exported, mainly to the U.S.

Lotus only recently returned to the U.S. after a gap of two years. A new distribution company, Lotus Performance Cars has been set up by 46 private investors. It has recruited 20 dealers and there will be 40 by the end of the year.

Mr Wickins said Lotus's output would reach nearly 700 cars this year, up from 541 last year, and above the break-even level of 55 cars a week. Lotus had, therefore, been profitable since the £6.69m financial rescue operation was completed in August.

Mr Wickins said Lotus was doing engineering work for nearly every major car company in the world.

Although its association with the De Lorean sports car project had had a debilitating effect on Lotus because of the effort involved in getting the De Lorean completed quickly, the Lotus contribution had impressed the rest of the industry and was now bringing in customers for its engineering services.

Engineering was now accounting for 25 per cent of turnover and a much bigger percentage of profit.

Mr Wickins said British Car Auctions, another company of which he is chairman, had acquired 26 per cent of Lotus for about £3m and was already showing a paper profit on the shares.

But he said British Car Auctions had no intention of bidding for the rest of Lotus.

He revealed that British Car Auctions' new ventures in the U.S. were already generating more turnover than those in Britain. Sales through the six auctions owned in the U.S. were running at $15m (£12m) a week compared with £6m to £7m in Britain.

Dunlop apologises to Arabs

Financial Times Reporter

DUNLOP, the troubled British tyre company, could have ruined its chances of winning a Middle Eastern contract worth close to £1m by running an advertisement in London which was offensive to Arabs.

The company has now sacked the advertising agency responsible for the advertisement, Saatchi and Saatchi, and has published apologies in Arabic in six Middle Eastern publications. It is also sending written apologies to prominent members of Middle Eastern governments and businesses.

The offending advertisement, for Dunlop Elite tyres, meatured a cartoon drawing of a robed Arab trying to stab a tyre. The copy stated that the Dunlop Elite cut down the use of petrol and was "thoroughly detested by oil-men."

Dunlop said it believed it had already lost the contract for supplying tyres to the Saudi Arabia Public Transport Company before the contraversy arose. However, reports from Riyadh state that the Saptco board of directors decided to drop Dunlop from the list of contenders shortly after the advertisement appeared.

At that time Mr Abdul Wahab Mansouri, a member of the board, said: "The board of directors felt that such advertisements are insulting to the Arab personality in general. We felt that it is our obligation to defend our image against such biased and degrading efforts."

Dunlop said yesterday that the advertisement was "tasteless and an error of judgement." It followed a successful campaign for Elite which featured a scowling Larry Hagman, the actor who plays oilman JR in the television series Dallas.

The Saudi Arabian Ministry of Commerce has been examining advertisements in several countries in Europe and North America for portrayals of Arabs in unflattering light. Several Japanese companies have been admonished about advertising content.

Hawker Siddeley to sell milk float business

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

HAWKER SIDDELEY is to sell the remnants of its ill-fated milk float business, Crompton Electricars.

The buyer will be a Birmingham-based private company, M & M Electric Vehicles (Atherstone).

The acquisition will not prevent the closure of Crompton's production plant at Tredegar at the end of this month with the loss of 82 jobs.

M & M would not comment on the fate of the Crompton spares and service depots at Manchester, Birmingham, Oxford, Bristol and Plymouth which were to have continued in operation and enable some electric vehicle production to be kept going.

Crompton has received Department of Trade and Industry cash towards work on a 1.5 tonne payload electric van — money contributed under the terms of the technology innovation scheme.

The Department said it had not been informed about the sale of Crompton. "Whether we continue to support the project would depend on proposals put forward by the new owners."

Most of Crompton's vehicles are milk delivery vehicles and changing patterns of domestic delivery have this year cut output to one third of last year's levels.

According to the Electric Vehicle Association, registrations of electric vehicles are now about 700 to 800 annually compared with the peak of 1,200 four or five years ago.

Milk companies have preferred to refurbish old vehicles rather than buy new ones and in this respect the durability of electric vehicles worked against the manufacturers.

The association reckons that the average age of the vehicles is now about 12½ years. Some 30-year-old vehicles are to be found.

Another factor depressing sales is that some dairy companies are switching from electric vehicles to diesel-engined ones.

Glaxo wins approval for sale of Zinacef in U.S.

BY CARLA RAPOPORT

GLAXO, the fast-growing British pharmaceutical group, has received approval from the U.S. Food and Drug Administration for the sale of its new injectable antibiotic, Zinacef.

It is the second major drug approval for Glaxo in the U.S. in the past three months. Its anti-ulcer drug, Zantac, went on sale in July and has since captured 14 per cent of the $500m (£335m) market.

Glaxo claims that Zinacef is the most widely prescribed injectable cephalosporin in Europe. Cephalosporins are the successors to penicillins and are primarily used in hospitals for treating the most serious kinds of infections.

W. Greenwell, the London stockbroker, estimates that Zinacef's sales in Europe are $100m a year. Mr Ian White, Greenwell's pharmaceutical analyst, estimates that the U.S. sales of Zinacef will reach $50m in two to three years.

Glaxo's launch of Zinacef in the U.S., due next month, will take the company into the $550m U.S. cephalosporin market for the first time. Glaxo already claims to be the fastest growing pharmaceutical company in the U.S. in terms of new prescriptions.

The FDA's approval for Zinacef gives Glaxo the right to market the drug for respiratory tract infections, skin and skin structure infections, urinary tract infections, septicenias, meningitis and gonorrhea, including those cases resistant to penicillin.

Oil discovered by Conoco-led group in Sussex

By Ray Dafter, Energy Editor

A GROUP of oil companies, led by Conoco (UK), has discovered oil at Baxter's Copse, near Graffham in west Sussex.

The discovery follows a series of small oil finds on land following an increase in onshore exploration. Conoco and its partners — Charterhouse Oil and Gas and Tricentrol Exploration UK — are to seek West Sussex County Council's approval for a small pumping unit to conduct a production test on the site of the exploration well.

The well has yielded an unspecified flow of liquids comprising approximately three parts water to one of crude oil. Small amounts of natural gas have been recovered.

Conoco said tests would be required to determine whether crude oil—at a depth of up to 7,62 fees—could be recovered economically.

Shareholding in the well—and another at Palmer's Wood, near Godstone, Surrey—is Conoco (50 per cent), Charterhouse (25 per cent) and Tricentrol (25 per cent).

On shore production this year is expected to average about 8,000 barrels a day, 0.36 per cent of UK output.

● BP Petroleum Development has successfully tested flows of natural gas and condensate (very light oil) in an appraisal well 230 miles east of the Orkney Islands. It was part of the evaluation of the Bruce reservoir which straddles blocks 9/8 and 9/9.

Gamma camera company buys out Swiss stake

BY MARK MEREDITH, SCOTTISH CORRESPONDENT

THE MANAGEMENT of Scintag Berthold, the only producer in Britain of nuclear medicine gamma cameras, has bought out the stake of its Swiss parent company.

The small, Scottish-based company was able to buy the 70 per cent equity of Scintag Berthold of Zurich as part of a £750,000 investment by the venture capital section of 3i Ventures (formerly ICFC).

The company, newly named Scintronix, is to use most of its investment to expand overseas sales with a series of marketing deals involving companies in the U.S. and Europe.

It will also increase production for a market estimated at 500 cameras a year for the U.S. market, which accounts for more than half world demand.

Scintronix produces gamma cameras which record the presence of radio isotopes injected into a patient to produce a picture of a particular organ through computer enhancement.

Scintronix, based at Livingstone New Town, west of Edinburgh, holds about half the UK market for nuclear medicine cameras but faces intense competition from large producers such as Siemens, Philips and General Electric.

A marketing deal has now been signed with Interad, a U.S. manufacturer of scanners, to market the Scottish-produced camera in the U.S.

The West German Kontron company is to distribute in Germany, Scandinavia and Italy. The buy-out was led by Mr Paul Woods, 37, the company's managing director, Mr Iain Stark, 37, marketing director, and a third director Mr Colin McClure, 39.

Terex warns of 30% cut in Scottish workforce

BY LYNTON McLAIN

TEREX, the heavy construction equipment maker in the West German IBH group, plans to cut the workforce at its Scottish production plant by 432, some 30 per cent, unless it wins several major contracts by the end of the year.

Most of the potential contracts await final decisions by customers. The work could involve production at the Motherwell plant, near Glasgow, of more than 400 heavy construction machines, including earth scrapers, 85-tonne dump trucks, wheeled-loaders and haulage machines, wotrh a total of more than £50m.

Success would have a "dramatic impact on the number of employees Terex would need to make redundant," the company said.

The company has seen a fall in demand of about 30 per cent in world markets for heavy earthmoving and construction equipment over the past four years. But the greatest change for Terex has come from the collapse of demand in the UK because of the squeeze on large public spending projects such as motorways and coal and mineral mining.

The Motherwell plant has seen its market share drop from 35 per cent three years ago to 8 per cent last year. The same market share is expected this year and next, said Mr William Dalton, chief executive officer for IBH Holding UK, which covers Terex and Hymac, the hydraulic excavator maker.

The company has coped with the sharp decline of its home market by seeking export orders. These now account for about 93 per cent of turnover at the Scottish plant.

Rise of £1bn in financial institutions' cash inflow

BY ROBIN PAULEY

THE TOTAL net inflow into British financial institutions other than banks in the second quarter of 1983 was £6.7bn, a rise of £1bn over the previous quarter, according to official figures published yesterday.

A sharp rise in the inflow of funds is usual in the second quarter, largely because of accruing building society tax balances which start being rebuilt in the second quarter after payment of composite rate tax in the first quarter.

Deposits with building societies were £200m up on the first quarter to a total £2.1bn, a smaller rise than usual for this quarter. Investment overseas by the institutions declined with investment in overseas ordinary shares falling from £1bn in the last quarter of 1982 and £1.1bn in the first quarter of 1983 to £689m in the second quarter—nearer to the level of quarterly figures prior to the surge at the end of last year. The fall is probably due to a decrease in the value of sterling, which made overseas securities more expensive.

All the institutional groups increased their allocations to gilts during the second quarter except unit trusts which slightly reduced theirs. The switch to gilts was at the expense of allocations to UK ordinary shares, with investment trusts continuing to run down their holdings and long-term insurance funds halving their allocation from £200m to £100m, allocations overseas and allocations to property.

While the inflow to pension funds and long-term insurance funds fell back during the second quarter, inflows to building societies jumped to £3.1bn from only £800m the previous quarter. This took the inflow rate in the second quarter back to the level in the middle of 1982, although it was still below the record £3.7bn recorded in the last quarter of that year. Building societies' lending for house purchase was virtually unchanged at £2.8bn.

Lloyd's chief says scandals would have stopped Act

BY JOHN MOORE, CITY CORRESPONDENT

THE ACT of Parliament granting the Lloyd's insurance market wide self-regulatory powers would not have been passed into law last year if the scandals which surfaced in the community had come to light earlier, Mr Ian Hay Davison, Lloyd's chief executive, said yesterday. Instead, Lloyd's affairs would have been brought much more under statutory control.

He said at a London conference of insurers that one month after the Lloyd's Act was passed in July last year the report by Deloitte Haskins and Sells, into Alexander Howden had drawn the market's attention to possible improprieties including a Lloyd's insurance syndicate once headed by Mr Peter Cameron-Webb.

"If those facts had come to light a month earlier the Act would not have been passed," said Mr Davison.

He said that when he became chief executive, the problems he found were "not business problems. The place was humming. All valid insurance claims were being paid." Instead the problems centred on the relations between the members of Lloyd's and the underwriting agents who look after their affairs.

These problems he identified as: conflicts of interest; secret profits which benefitted the agents at the expense of the members of Lloyd's, and inadequate accounting procedures.

Mr Davison said there was a commitment by Lloyd's, with the support of the Bank of England and Whitehall, to make self-regulation work. Bringing malefactors "to book" would be one of the priorities.

More cash for electricity link

By Maurice Samuelson

The EEC yesterday raised to £94m the amount it has authorised this year to help finance a £625m cross-Channel electricity link between England and France.

The Central Electricity Generating Board will receive another £20m loan on top of the £30m awarded it in April. Electricite de France, which was awarded £35m in April, will be loaned a further £9m.

The two utilities are laying eight cables across the 43 miles between Bonningues, five miles from Calais, and Sellindge, 15 miles from Dover. When complete in 1986 they will be able to swap electricity at times when one system is producing power more cheaply than the other.

Sizewell cost up by £66m

ESTIMATED COSTS for the Sizewell B reactor have risen by £66m since the Central Electricity Generating Board drew up its figures.

There has been an increase of £106m in estimated costs but the board has obtained a contract offer of £90m for the turbine generator which is £40m below the original estimate.

The board believes it can build Sizewell B within its original estimates of £1.147bn but has had to reduce its contingency fund by £66m to keep to this figure. The fund stands at £117m.

The board has provided the inquiry with figures—for its advanced gas cooled reactor programme which shows the difference between the estimated and actual costs. The increase range from £183m for the Hinkley Point B reactor and £895m for the Dungeness B plant.

TWA Atlantic traffic best ever

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

TRANS WORLD AIRLINES of the U.S. confirmed in London yesterday that this year's summer traffic on the North Atlantic route had been its best ever.

The airline said during the three months of July, August and September, it had carried a record 376,000 passengers between the UK and the U.S.

On all its North Atlantic routes, including those to Continental Europe, the airline had carried a record total of more than 1m passengers.

TWA said it expected its Atlantic operations this past summer to generate operating profits of at least $200m (£134m), "thus confounding many airline commentators who have consistently labelled transatlantic services as both overcapacity and loss-making."

Government's competition policy is criticised for 'hideous uncertainty'

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

MR EDWARD DU CANN, chairman of the Conservative backbenchers' 1922 Committee, yesterday strongly criticised the "hideous uncertainty" of the Government's present competition policy.

Mr Du Cann, Conservative MP for Taunton and deputy chairman of Lonrho, was speaking at the Financial Times conference on merger policy. He said: "We simply do not know, from month to month, from minister to minister, what aspect of the public interest will be uppermost in the minds of an adjudicator."

He claimed that, while all business involves risk: "The additional risk of not knowing whether a particular practice, market share or merger is or is not against the public interest, given the capricious way that elusive concept is at present assessed, throws a wholly unreasonable burden on those who run our companies."

Mr Du Cann said there was a clear case for the Government "to take a long cool look at the ragbag of provisions which go under the name of competition policy."

However, Mr Du Cann also put forward his own views on competition policy, especially the legislation covering mergers. He said that the merger he had had most dealings with, involving Lonhro and House of Fraser, raised the question of the justification for intervening in conglomerate mergers.

"The arguments which were advanced against allowing it to proceed, such as they were, could perfectly well be advanced against many complex holding companies which have not been the subject of an investigation, simply because they have not recently been involved in a merger."

Mr Du Cann was also critical of the procedure for giving companies confidential guidance before a merger is announced as

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to whether or not it is likely to be referred to the Monopolies and Mergers Commission. "This is rather like suggesting that anyone contemplating committing a crime in Scotland should pop along to the Procurator Fiscal to get a confidential assessment of the likely strength of any prima facie case against him."

Mr Du Cann argued: "While the present powers remain on the statute book, the temptation to use them is irresistible." He believed they should be removed "before some more intervention-minded Secretary of State—or, perish the thought, intervention-minded Government—comes along."

Earlier, Mr John Shad, chairman of the U.S. Securities and Exchange Commission, told the conference that the U.S. agencies responsible for regulating business competition "are lagging far behind the accelerating change in the marketplace." He claimed: "Many of the regulatory structures are no longer responsive to the problems, or the opportunities, of the balance of this century."

In addition, he pointed out that mergers and acquisitions over the 12 months ending September 30 had totalled over £15bn, slightly less than the record £16bn in 1981 and 1982, but more than twice the 1980 level.

However, the U.S.'s present regulatory structures are based on historical industry classifications and do not take account of mergers in the financial sector which have bridged the traditional gaps between industries.

Mr Shad said that when he joined the SEC some two and a half years ago, he began lobbying for a task force to help simplify and rationalise the regulatory structures of the financial service industries. Such a task force was formed last December by Vice President Bush, and it is expected to propose major legislative initiatives later this year.

The U.S. in the past few years, according to Mr Shad, has witnessed "the rapid development of new forms of financial conglomerates." Several of the U.S.'s largest investment banking and brokerage firms have merged into larger corporations, while major banks, savings and loan associations and insurance companies are entering the securities industry.

These included placing greater reliance "on the disciplines of the market place and less on federal regulators." In addition, consolidating the five different federal agencies responsible for administering disclosures by depositories into the SEC "would result in more uniform regulation and enforcement of such disclosures, at lower costs."

Other speakers were: Mr John Hignett, director-general of the Council for the Securities Industry and the Panel on Takeover and Mergers; Mr Edgar Palmerston, chairman of the Wider Share Ownership Council; Mr Roger Brooke, chief executive of Candover Investments; Mr Bruce Wasserstein, managing director of the mergers and acquisitions section of the First Boston Corporation, New York; and Mr Jonathan Rose, assistant attorney-general, office of legal policy, Washington DC Justice Department.

Firemen win 7.8% on basic pay

BY JOHN LLOYD, INDUSTRIAL EDITOR

A PAY award of 7.8 per cent on basic wages has been made to 35,500 firefighters and fire control officers—more than twice the 3 per cent figure which the Government set for public sector wage rises.

The award was agreed yesterday in the national joint council which brings together the firefighters and the local authorities which employ them.

Because the rise applies only to the basic rate and not to the allowances which comprise a small part of total pay, the increase in earnings is estimated at 7.58 per cent. The award is expected to add some £22m to the local authorities' wage bills.

Since 1978, as part of the settlement of a long strike, the increase in pay has been calculated on the movement of the top 25 per cent of earnings, or the "upper quartile" of pay, as shown by the Government's annual New Earnings Survey.

The NES, published earlier this month, showed the upper quartile rate to be £165.40, an increase of £10.80, or 6.98 per cent on the 1982 figure of £154.60. Since that April "snapshot" figure, the increase has been adjusted upwards to take account of movements since then.

The increase will, in effect, be reduced by 2 per cent from November 1 because of the second stage of an increase in employee pension contributions, an issue over which the union threatened to strike last year.

While the firefighters' pay is recognised to be exceptional in the public sector because of the operation of the 1978 formula, the relatively generous increase is bound to put pressure on other claims in the public sector, and to increase dissatisfaction over the various "pay policies" now operating in that sector.

Earlier this week Mr Pat Lowry, chairman of the Advisory, Conciliation and Arbitration Service, called for "principle and not expediency" as a determining feature for pay rises.

Speaking to the Institute of Personnel Managers Conference in Harrogate, Mr Lowry said that firemen, police and nurses had been identified as special cases deserving special treatment.

"But when the majority are asked to exercise restraint we must be careful not to create a feeling of jealousy or resentment against those enjoying special protection."

INSTITUTE OF PERSONNEL MANAGEMENT CONFERENCE

Trade union power dying, says top official

BY PHILIP BASSETT, LABOUR CORRESPONDENT

TRADITIONAL trade union power as wielded in Britain over the past two decades is dying rather than just dormant, a leading trade union official said yesterday.

John Edmonds, national officer of the General Municipal and Boilermakers Union, was giving an address to the Institute of Personnel Management conference in Harrogate. It was recognised by managers as one of the most thoughtful and incisive analyses heard there in recent years.

Mr Edmonds said that unions needed to adapt to changed economic circumstances.

Mr Edmonds' remarks were the most eloquent statement yet of the mood of "new realism" which has affected the TUC since its shift of direction at last month's Congress in Blackpool.

He said unions had not yet adapted their policies and that considerable effort would be necessary to do so. Unions were still stuck with ideas and attitudes of the 1960s and 1970s, when their job was channelling and limiting membership energy and influence, and managing militancy.

This had led to simplistic attitudes, particularly towards industrial action. Often now, if members would not take action, that was the end of a union grievance. But if trade union officials kept putting action to their members and kept getting rebuffed, there was an all-round demoralisation.

Instead of this, trade unions should adopt several new approaches to press their claims on pay and conditions; such as greater use of the law, of agencies such as the Health and Safety Executive, of inquiries into company affairs, campaigning with other public interest groups outside the unions, and of personal campaigns against individual employers.

This last point was the most controversial. Mr Edmonds forecast growth of personal attacks on individual managers' records.

He said: "When we take away power from people in one area, they will tend to look for it elsewhere. They may try to hurt rather than win."

Such altered methods were necessary because of economic changes which pointed to changes in the nature of trade unionism and to a decline in trade union power.

The trend towards smaller plants with fewer people doing similar jobs and towards white-collar rather than manual work meant both a reduction in traditional labour solidarity and an increase in the pressure of work on union officials.

The different type of union work — more visits more often to members at more plants — would demand more union officers, even though union membership was likely to decline. More officers could not be funded without considerably higher subscription levels. Members would be unlikely to pay higher dues to get the kind of once-a-year visit to which they had been accustomed.

There was the prospect of only a "piecemeal success" for unions in the future but Mr Edmonds did not believe that unionism was likely to go into the kind of irreversible decline suffered by that in the United States.

● Dr James McFarlane, director-general of the Engineering Employers Federation, yesterday gave a clear lead to employers to use the Government's forthcoming legislation on union democracy to challenge long-established industrial relations practices.

Dr McFarlane stressed the provision for pre-strike ballots expected in the new Bill.

He said: "It would also be open to employers building on the proposed ballot before strike provisions, to test the extent to which unions would be prepared to defend some of the landmarks of the old industrial relations system."

He gave as an example the continued existence of national level bargaining in the engineering industry, though he was careful to stress that he was not in favour of complete devolution of bargaining on such matters as national rates to plant level.

Modest rise in pay deals forecast by McCarthy

BY OUR LABOUR CORRESPONDENT

PAY SETTLEMENT levels are likely this year to show a modest increase on last year's deals, despite government hopes of keeping settlements down, Lord McCarthy, the leading industrial relations academic, said yesterday.

Lord McCarthy, an Oxford University lecturer in industrial relations, told the conference that the general level of pay settlements in the private sector for this wage round would be about 7 per cent, with about 3 to 4 per cent at the lower end and higher deals for successful companies.

In contrast, the current trend of lower deals in the public sector than in private industry was likely to be continued this year. He estimated that public sector pay deals would be roughly about 5 per cent, with many groups settling for well below that at about 3 to 5 per cent.

He said: "You are going to be lucky to get 5 per cent. If you get an offer of 5 per cent in the public sector then close on it. Go and get drunk because you have done well."

These levels compared with his 1982-83 figures which show in the private sector increase of 0 to 5 per cent at the bottom end, 5 to 8 per cent in the middle and 8 to 12 per cent at the top. In the public sector, corresponding figures were 4 to 5 per cent, 5 to 6 per cent and 6 to 10 per cent.

He forecast that there would still besome form of public sector strike action this winter despite the decline in strike activity. He mentioned the National Health Service workers as possibilities if the Government was "foolish enough" to give an interim pay deal to the nurses and deduct the cost from the whole pay bill. He also suggested waterworkers and possibly the miners in this category.

He thought more employers would be attracted by long term pay deals, particularly if the forecast in the Chancellors' Mansion House speech of lower or stabilising inflation rates proved to be correct. He saw no reason why management should concede reductions in working hours.

Lord McCarthy said that one odd fact in the recession had been its limited impact not on settlements but on the scope of union claims, which still looked for high increases and cuts in hours.

These high claims caused problems for the unions, because when they struck a deal they had publicly to move sharply away from the claims.

CBI chief urges simpler legislation on incentives

BY PHILIP BASSETT

SIR CAMPBELL FRASER, president of the CBI, yesterday urged the Government to simplify the legislation on employee incentive schemes in order to link more closely individual employees' fortunes and company performance.

Using as an example the incentive system in the U.S., Sir Campbell told the conference: "There is a strong argument for the Chancellor of the Exchequer to review the legislation on incentive schemes with the intention of rationalising and simplifying it."

The changes in the law over the past 11 years had been helpful in encouraging companies to stimulate enterprise and incentive schemes. Unfortunately, the changes had gradually increased the complexity of the law and so reduced its comprehension.

He said some form of profit sharing was the answer to how employers and employees could feel closer to a company's results and feel excited by the prospect of increased profit.

Sir Campbell spoke of the importance of the profit motive. He said its role in the business process was still not fully understood or accepted, but there were few things more important if Britain wanted to improve its industrial performance. The rewards were great: high productivity and high pay.

It was important that employers said something on behalf of profits before they disappeared. At the same time, as the nation needed investment there had been a steady decline in real profits. "Put another way, we are eating the seed corn which provides the future harvest and we seem to be enjoying the meal.

"If you believe that tomorrow can look after itself, then profits may not be all that important. But it would be a daft country which based its policies on that notion; and it would be a daft individual."

He gave as an example the current position in the coal industry. There were "important groups of people" who believed that loss makers should be supported not just in the immediate future or until they became profitable but as long as it was necessary to keep people in work.

Sir Campbell said he was not making a judgment on the rightness or wrongness of pit closures. "If the nation said it wants to keep them going that's fine, but we shouldn't pretend that there is no cost involved."

'Chances lost' to spread Toshiba-style agreements

BY BRIAN GROOM, LABOUR STAFF

TOSHIBA, which has a revolutionary union agreement ruling out conflict at its Plymouth television factory, has achieved high quality and efficiency. Business is booming and it plans to create 200 jobs on a separate site.

However, Mr Roy Sanderson, national officer of the Electrical and Plumbing Trades Union, who negotiated the deal 2½ years ago, warned that the chance to spread Toshibo-type agreements across industry was being lost.

The Toshiba plant has a full order book for months ahead and medium-term projections show volumes well ahead of present capacity. Plymouth City Council has bought another factory of 100,000 sq ft, on the company's behalf, for future expansion.

"We are now only a short way behind our Japanese parent in quality and efficiency," Mr George Harris, personnel manager of Toshiba Consumer Production, told the Institute of Personnel Management conference in Harrogate yesterday.

Toshiba's Plymouth factory was set up on the site of a Rank-Toshiba joint venture, which ended in 1980-81. The deal agreed with the EPTU included equal status for manual workers and office staff, flexible working, an advisory board of elected staff representatives, and negotiating procedures ending in "pendulum arbitration," which would rule out strikes.

Mr Harris said that by the factory's second year it was achieving output targets and pushing quality yields to 90-95 per cent, compared with around 60 per cent in the former joint venture.

The model range had doubled this year, adding 50 per cent to output requirements and raising the workforce to nearly 500 compared with the original 300. The plant had been running at capacity for three months.

Toshiba had experienced a "taste of the past" because production had been disrupted by the introduction of 18 new models but Mr Hars did not attribute this to a failure of the industrial relations system.

Some aspects remain to be tested, such as the arbitration clause. This requires an arbitrator to come down on one side rather than compromise and, in theory, encourages both sides to be reasonable to get their case accepted.

Remaining challenges include how to prevent standards slipping; how to maintain the same philosophy on two sites and how the EPTU will maintain membership when new staff join. Mr Sanderson said the shop stewards schooled in the British adversial system had difficulty adapting to the new arrangements.

Most problems had been overcome. Mr Harris said office staff had accepted their loss of privileges—they clock in like manual workers and share the same car park, dining room and working hours.

Mr Sanderson said, however, that apart from similar deals at Inmos and Sanyo and in spite of enormous interests in the Toshiba agreement, the opportunity for it to spread was being lost.

Workforces cut at tinplate factories and brewery

FINANCIAL TIMES REPORTER

IND COOPE, the Burton-on-Trent brewery, is to cut its workforce by 400 over the next five years.

However, the company announced yesterday that it plans to invest £15m on modernising the brewery in addition to normal capital expenditures.

Mr David Cox, managing director, said that the investment, due to start next year was vital to protect the jobs of 1,500 workers.

At the same time, Metal Box has announced that it is to make 355 people redundant at five of its factories in its general line metal packaging division.

Closure of a tinplate printing works at Bermondsey, London, will cost 38 jobs. On Merseyside, where Metal Box announced the closure of a plastics factory with the loss of 470 jobs three weeks ago, another 195 will be laid off at the Aintree tinplate factory, which employs 870.

Job losses at other general line plants will be: Carlisle, 56 out of 618; Manchester 24 out of 411; and Mansfield 42 out of 824.

The company blamed the cuts on reduced demand for traditional tinplate ware and severe price competition in a depressed market.

Since April 1980 Metal Box has shut 15 plants in the UK and reduced employment by more than 10,000 to about 22,500.

● More than 170 workers at the AP Skelton factory at Flamstead, near Luton, Beds., are to lose their jobs with the closure of the plant by Christmas.

The company, which manufactures ductwork for air conditioning manufacturers, is to cease trading because of the recession in the building industry. Work being carried out by the company on 10 building contracts will be completed by a London company.

The redundancies will affect the entire workforce, including directors and office staff. The company which is Flamstead's main employer, is owned by a financial holding company, Talbex, which has interests in engineering, oil and gas.

● J. Worthington (Holdings) is to close the business of W. H. White and Son, the group's knitwear company in Leek, Staffordshire, which employs 67 people.

The company has been incurring losses for the past 3 years, and there are no signs yet that the position will change. The closure will take about four months to complete. Attempts to cut costs and restore profitability in the past had not been sufficient.

'Value added' wages urged

By Our Labour Staff

GOVERNMENT EFFORTS to encourage companies to link employees' pay to company performance should be channelled via the concept of value added —the difference between sales proceeds and the cost of goods and services — says a study.

The study, by the Monks group of pay advisers, gives a table of the employees' pay element on value added—usually taking up about 75 per cent of the total—and measures different rates around this figure on a scale of company's performance.

The study's authors also believe that the value added concept will help companies deal with the provision in the 1982 Employment Act on employee involvement and communication.

Linking Pay to Company Performance: Monks Publications, Debden Green, Saffron Waldon; £10.

Engineering award for satellite man

MR PETER HICKMAN, managing director, space and communications division, British Aerospace Dynamics Group, has been awarded the Gairn EEC medal of the Society of Engineers for his work on the European communications satellite programme.

It is the first time a British engineer has received the Gairn EEC medal which is awarded in alternate years to an engineer of one of the EEC countries for an important contribution to contemporary engineering, science or technology.

£2.4m government cash for Merseyside

MR PATRICK JENKIN, Environment Secretary, today announced that £2.4m government urban programme cash is to be spent on Merseyside.

The money will be spent on 26 schemes throughout the county aimed at bettering environmental conditions in housing, educational and industrial areas, improving recreation for young people and providing small advance factory units to encourage industrial growth.

John Lloyd examines implications of the POEU win

Why Tebbit's law proved toothless in the fight for jobs

IT IS perhaps a judgment on the times that Mercury's failure to secure an injuncton restraining the Post Office Engineering Union from continuing its industrial action should have caused such surprise.

Unions are not expected to win such cases today.

Although Mr Norman Tebbit may have been transferred to the Department of Trade and Industry, he has—it is common knowledge—left behind in his 1982 Employment Act a piece of legislation so tightly drawn that any union which took industrial action over anything other than wages and conditions involving anyone other than its employer with even the slightest hint of a political motive was liable to be stripped of its assets.

This is, after all, the era of Tebbit's law.

This was a case which had been conventionally seen as largely if not wholly political, in which the industrial action was bent to a political purpose. There has been no secret about it: within the Labour movement, the POEU was seen as taking the lead against privatisation (only two days ago, the Transport and General Workers' white collar branch at the Labour Party's headquarters passed a motion of support for the union); the POEU's stickers, posters and adverts have said No! to privatisation, loud and clear.

Yet the union's lawyers suspected they might have won by Wednesday of this week, when the court heard from Mr Brian Stanley, the union's clever and articulate general secretary. In his second affidavit read to the court, Mr Stanley detailed the response which British Telecom made to the union first attempt to black Mercury.

Towards the end of June, BT suspended two engineers who had refused to interconnect a Mercury link with the BT system and brought in managers to do the job. A few days later, when 50 engineers were called out on strike in the London North Central area where Mercury has its headquarters, two more engineers were suspended for refusing to instal a cable in the Mercury offices.

In short, Mr Stanley's evidence showed that there was a dispute between the engineers' employer—BT—and the union. That was a crucial point for the defence and one which, it says, virtually ensured that the claim for the restraining injunction would be lost and that any further case brought by Mercury is likely to fail.

One of the key restrictions which the 1982 Employment Act imposes on the 1974 Trades Union and Labour Relations Act (which had previously governed trade disputes) was to confirm lawful disputes to those between worker and their employers.

If it had been shown that the POEU members were acting largely against Mercury—as the company argued they were—then it would have been unlawful. But the fact of the suspensions pointed to an employer - employee dispute, lawful under the 1982 Act.

The second important hurdle was the 1982 Act's amendment of the 1974 provision that industrial action is lawful if it is connected with such matters as terms or conditions of employment, hiring and firing, redundancies, membership of a union and so on. The 1982 Act changed "is connected with" to "wholly or mainly to."

Mr Justice Mervyn Davies found that the dispute *was* "wholly or mainly" related to fears of redundancies and that the POEU was acting in defence of its members' jobs. The action was therefore lawful on the two crucial instances where it was under challenge.

Finally, there is the "balance of convenience" argument, a touchy one in cases like this. The judge must determine in granting or not granting an injunction, which party is likely to be most "inconvenienced."

He found for the union because, he argued, the status quo would be disturbed by allowing Mercury to proceed and union members might then lose their jobs. To the argument advanced by Mercury that it was "inconvenienced" by losing some £500,000—£1.5 as a result of the action, he adduced the case of Duport Steel v Sirs: there, the company was losing £25m a week and was not granted an injunction.

The case clearly has very wide implications in the present climate of impending widescale privatisation. The privatisation of a nationalised industry will very often give rise to legitimate fears over job losses. Union action against privatisation plans will usually be taken against its immediate employers, the nationalised industry in question. That industry may retaliate by suspending employees.

There will often be a company waiting in the wings—like Mercury—to take advantage of the market opportunities opened up by privatisation or liberalisation. By their nature, its operations will disturb the status quo.

If all of the conditions are met—as they were in this case—the union can well repeat the success of the POEU.

Legal experts yesterday were careful to point out that one case lost under the Act does not mean that a huge hole has been discovered in it and that all other anti-privatisation actions can now follow joyfully through, enjoying complete immunity as they do so.

It is quite possible that the next case of this sort could be won by the plaintiff: it is also possible that Mercury will win on appeal, or at the full-dress trial which is to come next year.

For now, however, the union sees itself as having won a famous victory.

NCB speeds up mine maintenance

BY MAURICE SAMUELSON

MAINTENANCE OF vital mining equipment has been quietly speeded up over the past two or three weeks in anticipation of a miners' ban on overtime, the National Coal Board said last night.

This work is usually done at weekends by engineers and electricians. The ban would mean that it has to be carried out during standard shifts, thus interrupting and reducing normal production.

It includes work on cage winding ropes and the ventilation fans which prevent dangerous gases building up. Should the fans fail, pits may have to be evacuated pending their repair.

This advertisement has been placed by Morgan Grenfell & Co. Limited on behalf of Brengreen (Holdings) plc

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BRENGREEN (HOLDINGS) plc

*For the purposes of this calculation the value per Brengreen Share is the middle market quotation derived from The Stock Exchange Daily Official List (the "List") for 21st October, 1983 and the value per Sunlight Ordinary Share is the middle market quotation derived from the List for 30th August, 1983 (the last dealing day before the announcement by Sunlight of its proposed acquisition of Spring Grove).

Each of the Directors of Brengreen (Holdings) plc has taken reasonable care to ensure both that the facts stated and the opinions expressed herein are fair and accurate and each of the Directors accepts responsibility accordingly.

Only a brief respite for shares

LONDON

ONLOOKER

Equities have been drifting ownwards for weeks and by ıst weekend everyone seemed › have convinced themselves ıat we really were entering a ustained bear market.

The main point of concern as been the Government's conomic policy which—the essimists feared—appeared to e slipping out of its grasp. 'he Chancellor stood up in the lansion House on Thursday vening for the annual Lord Aayor's dinner and told the ssembled City notables that nflation was going to fall next ear. Mr Lawson reinforced his letermination to see the annual ate fall below 5 per cent—all he forecasters, however, remain onvinced it will be between 6 and 7 per cent.

The institutions meantime ıave been keeping a tight grip on their purses. They have oughed up for £4bn-worth of ilts in the last three months and £4bn of BP shares. Next ear will probaly see Reuters rotting along to the City and of course British Telecom awaits to be privatised. There are plenty of rights issues in the queue and new technology stocks continue to soak up cash. The institutions had little reason to be spending what cash they had on equities.

Thursday brought some light relief when the equity market had its best day since June with a 12.6 point rise in the FT 30-Share Index. Even so it is hard to believe that the market is about to sustain a recovery. Thursday's buying was extremely selective and the buyers failed to follow through on Friday.

Meantime high-technology computer companies keep rolling up to the Stock Exchange's front door cap in hand. The latest is Logica, due to publish its prospectus next Monday. Unlike others that have come along recently Logica is overwhelmingly a software company. Indeed it is Britain's largest.

Perhaps influenced by the poor reception that greeted Acorn, Logica is taking no chances with its terms. The 10.4m shares on offer to the public carry a minimum tender price of 140p each. That puts them on 20 times last year's earnings compared to a p/e on Systems Designers, the nearest comparable share in London, in the 50s. When Logica's chairman said "we have deliberately pitched this at a very modest price" he wasn't exaggerating. Unless something goes very wrong next week Logica will be oversubscribed at well over the minimum price.

Half-hearted Allianz

Rumours that Allianz Versicherung was about to swoop on Eagle Star and bid for the 72.2 per cent it didn't already own had almost got to the point of being a daily occurrence. So when rumour turned into reality Wednesday morning surprise was the last emotion to be felt: confusion, however, abounded. Allianz may have launched a 500p a share offer valuing Eagle at £692m but it doesn't want too many acceptances.

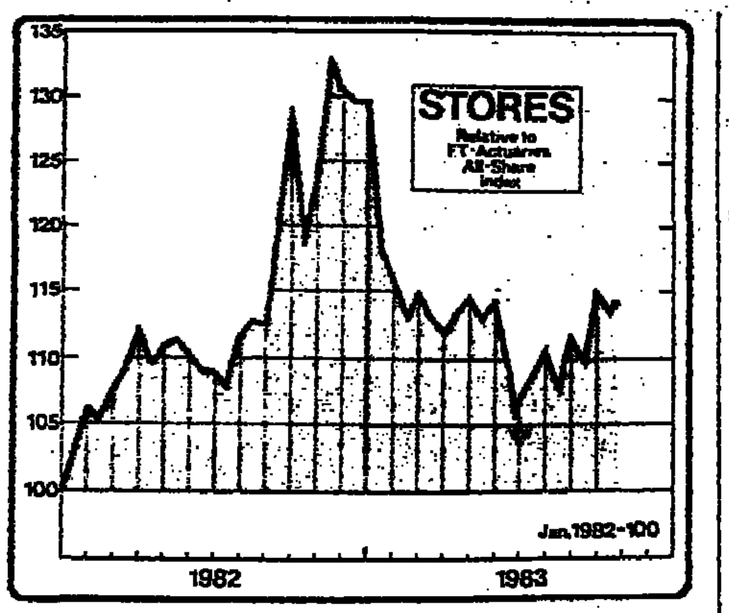
There has been a fragile relationship between Allianz, West Germany's largest insurance company, and Eagle Star since June 1981 when the Germans gobbled up a 27.8 per cent stake in a dawn raid. Actually Allianz had been flirting with Eagle before that in an attempt to strike some mutual deals. Those overtures fell on deaf ears and Allianz had little success in getting closer to Eagle since then, even with its major shareholding.

Allianz had wanted to lift its stake to 40 per cent and get a couple of men on the British company's board. Under the Take-over Panel rules Allianz could not get such a substantial minority holding without Eagle's blessing and nothing the German group could do seemed to cut much ice at 1, Throgmorton Street.

So on Wednesday its London brokers strode back into the market buying more Eagle Star and raising the Allianz stake to 29.99 per cent. Then came the full bid. Eagle's price, which had been 468p the day before, surged ahead to 540p before the market realised that Allianz was making a partial offer. The shares slipped back but remained well out of reach of the bid price.

Allianz has said it wants to maintain a London quote—but it is believed to be aiming for equity control. As far as British shareholders are concerned that would be a singularly unattractive proposition. Eagle's dividend policy would be controlled from Germany, and minority shareholders could only guess at whether they were getting a fair deal in any joint venture.

For the moment that debate looks academic. Allianz will have to do a lot better than 500p if it wants to achieve its aim. The defence could whistle up an asset value of, say, £7.50 a share. Of course if Alliance beefs up its terms sufficiently to win partial acceptance it could easily end up with 100 per cent of Eagle Star dumped into its hands. And it does not want that at the moment.



Stubborn on stores

The stores sector entered its interim reporting season on a very subdued note and looks set to emerge from the other side looking no better than it started. Yet almost without exception retailers have deluged the City with good figures, as typified by British Home Stores this week, and with very confident statements on second-half trading so far.

If anyone was still unconvinced that the High Street was having the time of its life they only had to look at Monday's Department of Trade figures for retail spending in September. The month hit a record level. Year-on-year the month's sales were up 6 per cent and volume jumped by 2½ per cent against a rather weak August.

True, September's figures included purchases deferred from the hot summer months and a four-week period cannot be read in isolation. Yet the important point remains that the closing months of 1983 will remain buoyant and Christmas should be good. So why is the market stubbornly refusing to buy the sector?

Quite simply the analysts believe, virtually to a man, that the consumer spending boom will run out of steam next year, and there are dark mutterings about 1985. But a slowdown is not the same as a reverse. The optimists are still talking of a 2 to 3 per cent increase in retail volme in 1984 and even the more cautious are looking for a modest gain.

So 1984 will not be a disaster in profits terms, even if retailers can no longer rely on double figure inflation to provide impressive growth. However, with the profits curve flattening out there is no reason to award retailers a premium rating over the market as a whole and as long as sentiment remains the way it is, wholesale revaluation is just not on.

All the same, the interim figures from BHS were much better than had been generally anticipated. Pre-tax profits for the 24 weeks to mid-September came out 32 per cent ahead at £14.4m and the group looks on its way to producing £58m for the year, against £46.9m.

Perhaps the most encouraging feature of all was the growth from its dominant non-food departments where sales rose 12½ per cent. The City has long been suspicious that BHS was simply not getting the sort of sales growth that a company of its size should achieve. But these figures encourage thoughts that at last it is getting the mix right on its shelves. The experience at the revamped Harlow store, which is coming up for its first anniversary, has proved that a better layout tempts traditional customers to spend more. Instead of sitting on cash, BHS should be accelerating its modernisation programme.

Hawker's half-time

The bad news is that Hawker Siddeley's half-time profits slipped yet again for the fourth six-monthly period in succession. The good news is that there is some slow upward movement in a few areas.

Pre-tax profits in the six months to June eased by 5½ per cent from £58.5m to £55.3m, though at the operating level the fall was rather steeper. However the impact of that fairly dismal set of figures was cushioned in the market by the chairman's relatively optimistic statement about current trading. Apart from the U.S., the improvement may be coming through at the pace of a raging tortoise, but his words encouraged the City to think that the profits decline can be halted in the closing six months of 1983. And any news of an upturn in capital equipment is greeted with enthusiasm by the market.

The domestic market is still pretty tough but Hawker should be able to hold sales in the current six months after registering a £25m fall to £404m at the interim stage. The export market is undoubtedly still very competitive but in the U.S. the upturn is sufficient for Hawker to be talking of "lively" trading in some products. That probably reflects the strength of Fasco Industries, which makes electric motors for consumer products.

All in all Hawker looks on course to match last year's £116.2m pre-tax profit. That points to an earnings multiple of under 8—a far cry from the premium rating that Hawker has historically enjoyed.

Before the announcement, Hawker's shares had fallen a fifth relative to the market over the past year. The lack of interest was not so much due to the dull profits performance but to concern over where the group goes next. Hawker may have the ability to make money out of its mature businesses but the market still needs to see where Hawker will invest for growth.

MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1983 High	1983 Low	
F.T. Ind. Ord. Index	689.9	+11.3	740.4	598.4	Economic hopes/technical rally
F.T. Gold Mines Index	516.0	−35.1	734.7	510.0	Nervous selling
BSR Int'nl.	158	+26	180	55	Talk of U.S. listing
Belgrave (Blackheath)	118	+38	157	12	Mr. A. J. Shamji appointed chmn.
Cons. Gold Fields	485	−22	635	475	Persistent small selling
Davies & Newman	143	−29	233	62	Heavier interim loss
Eagle Star	525	+80	540	345	Allianz bid of 500p per share
Fleet Hldgs.	116	−10	134	23	Adverse views on Reuters value
G. B. Papers	40	+ 8	47	17	Deltec Panamerica holds 29.15%
Hawker Siddeley	292	+16	406	270	Better-than-expected int. results
Hollis Bros. & E.S.A.	44	+ 6	71	22	Pergamon injection hopes
Lex Service	308	−15	368	150	Proposed rights issue
ICI	552	−22	596	350	Pft.-taking/Qtr. figs. due Thurs.
MEPC	221	+14	236	186	Favourable press views
Medminster	70	+15	70	52	Good annual results
Pressac	126	+10	126	42	Good preliminary figures
Sidlaw	376	−36	418	270	Skean Dhu sale disappoints
Strong & Fisher	79	+ 5	86	27	Bid speculation continues
Sun Alliance	£12¾	+ 1½	£13½	895	Speculative bid hopes
Sun Oil (UK) Royalty	290	−60	370	55	Absence of drilling news

High-tech shock

NEW YORK

TERRY DODSWORTH

AS THE quarterly reporting season moved into full flood this week the broad contours of the scene were much as Wall Street had been expected. But there were enough unexpected cracks and crevices to have the market reeling around in surprise on more than one occasion.

Ironically, it was the high technology area, the sector which more than any other led the market out of the recession, which produced the nastiest shocks. And it was AT & T, a virtual password of stability, which put sentiment to its biggest test.

The company's announcement of a 24 per cent dip in third quarter earnings, combined with a plan for the biggest asset write down in American corporate history—some $5.2bn produced a bout of virtual trading mayhem for an hour or two on Wednesday.

By close of trading, however, the analysts had come to the comfortable conclusion that all this was not as unexpected as they had clearly found it when the news broke, and that the write-off was all to the good anyway. So the Mark T, which had been 11 points down at one point, came back to only about four points off on the day, and AT & T finished just $1½ lower at $62⅞.

AT & T is something of a special case because of the anti-trust-inspired dismemberment which comes into effect on January 1. But Digital Equipment's fall from grace was seen as a trading disaster, and the market reaction was swift and unforgiving.

Over the last decade, Digital has developed a reputation for stable earnings based on the domination of its niche for small specialised computers. But on Tuesday it forecast that its first quarter earnings to October 1 would fall by around 70 per cent and sent shock waves flowing through the whole of the computer sector.

Digital's shares immediately fell $21 to $78⅞, wiping $1.2bn off its market capitalisation as the institutions abandoned SIP. The following day it slipped a further $6¾ on a turnover of more than 5m shares—about 3 per cent of the day's total.

Digital's bombshell put the skids under the market in no uncertain fashion, and the Dow Jones Industrial Average lost a further 14 points after its announcement to finish 17.89 down on the day at 1246.75, wiping out all the gains of the previous two weeks.

It cast a shadow over the whole of the high-tech sector, about which the market is becoming increasingly edgy following the disasters for Atari, Osborne and the like. Hewlett-Packard, Control Data and National Semiconductor all suffered in the wake of Digital.

The rock of certainty which has stood out amidst the retreat is IBM. It bucked the trend completely on Wednesday, putting on $1½ to $130⅛. IBM had previously announced two new personal computers, thus adding some substance to the current market conviction that the company is setting the standards by which everyone else will be judged across the whole range of the computer industry, not just in its old mainframe specialism.

Away from high tech, the results season has produced further evidence that the recession is sorting the sheep from the goats. Few industries, for example, have been hit harder than airlines. They were moving during the summer into a period of higher traffic, when those who had used the depressed conditions of the last three years to get their costs right should have been able to show something of a recovery.

American Airlines, traded under its parent AMR, proved this point pretty conclusively on Wednesday with a 180 per cent increase in operating income, which sent the stock up by $1½ to $30⅞.

Elsewhere the results confirmed the impression of an industrial sector which was still waiting for demand to feed through into renewed capital expenditure and a pick-up in heavy industry. The equity market, plunging lower on the really bad news, but then ticking back up again, has not been entirely sure how it should take all this.

The early October rally was based on the premise that interest rates would move lower, helping the recovery in industry, pushing up dividends, and narrowing the yield gap. Equities now stand at around 4.4 per cent against the Treasury long bond at 11.5 per cent.

The move towards lower rates has simply not happened at the rate that many pundits had been anticipating.

MONDAY	1268.70	+ 5.18
TUESDAY	1250.81	−17.89
WEDNESDAY	1246.75	− 4.06
THURSDAY	1251.52	+ 4.77

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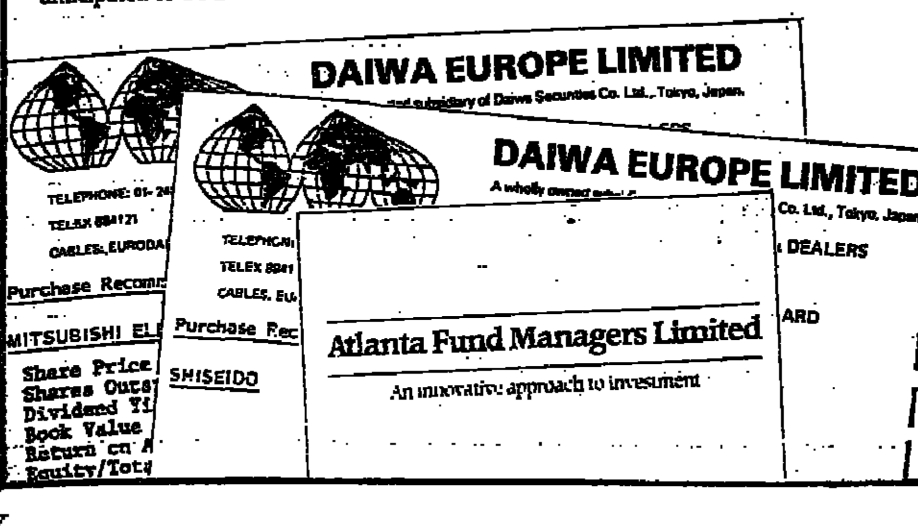

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Amax and the French connection

MINING

KENNETH MARSTON

RICHES were there for the taking back in the 1970s for the few mines that produced molybdenum. The metal generally referred to as "moly" which is used in a wide range of applications when alloyed with steel. Demand for moly ran ahead of production and prices rose as stocks declined.

The biggest name in the moly business, America's Amax diversified natural resource group, made an operating profit in 1980 of a cool $739m, about half of which was provided by the greatly sought-after metal. But the picture changed rapidly. New moly mines came in and the steel industry wilted before the cold winds of world recession.

Today nobody is making money out of moly, many mines are closed down and it may well be a long while before they are reopened. So Amax has had a hard time in the aftermath of moly's halcyon days. Last year the big group posted a net loss of $390m and it is still losing money.

But in Paris this week Mr Pierre Gousseland, the chairman, told me that the worst is over for the company. It is now moving into a phase where earnings will come from three main sources, energy (coal, oil and gas) aluminium and other metals. One day, moly will make a triumphant return, but in the meantime it is coal and aluminium that make the best showing.

The aluminium side of the business has grown sharply as a result of a not greatly publicised deal whereby Amax has recently acquired the Howmet aluminium division of the French state-controlled Pechiney. Strapped for cash in the general recession Pechiney accepted an offer—thought to be in the region of $240m—from Amax for the Howmet business.

It looks to have been something of a coup for Amax, especially bearing in mind the fact that the aluminium market has sharply recovered. "One of those rare but beautiful transactions in which everyone benefits," said Gousseland this week.

Amax's 50 per cent-owned Alumax aluminium division and Howmet are virtually sister companies—they jointly operate two smelters—but their facilities are complementary with very little overlap. Last year Alumax sales amounted to slightly over $1bn while those of Howmet were running at $334m.

At that time primary aluminium was selling in the mid-40 cents per pound range with the industry operating at about 60 per cent of capacity. Prices have since risen to around 81 cents and the industry is working at 75 per cent of capacity with Alumax doing better at 98 per cent. Clearly, the Howmet purchase is going to make a major contribution to Amax earnings.

Amax is still far from being out of the wood, having just announced a worse than expected net loss of $52.2m, or 87 cents per share, for the third quarter. This follows losses of $48.7m in the first quarter and $21.2m in the second.

The total to date of $122.1m, however, is less than the loss of $145.6m sustained in the same period of 1982 when a particularly bad fourth quarter brought the year's total loss to $390.1m.

Things should be better next year if, as we hope, the economic recovery gets through to the capital goods sector which is vital to the mining and metals industries. So far, says Gousseland, the recovery has been only "consumer-driven" but this is "paving the way to business-led expansion in 1984."

● The September quarterly reports from the South African gold mining industry were a decidedly mixed bag, with comparatively few general trends discernible. The factor common to most of the mines was a broadly unchanged gold price in terms of Rands per kilogramme, with changes in currency parities offsetting the fall in the U.S. dollar price.

Most of the mines suffered from higher working costs, largely consequent on the wage increases which took full effect in July, and several were also hit by declining ore grades.

Anglo American's Western Holdings was the star as far as dividend declarations were concerned, with a final well above the market's best hopes. The other dividends from the group were either in line with or below share market expectations.

GOLD MINE NET PROFITS

	September quarter R000s	June quarter R000s	March quarter R000s	December quarter R000s
Blyvooruitzicht	15,837	20,269	23,001	22,000
Bracken	2,438	3,105	2,758	1,535
Buffelsfontein	27,567	24,409	28,515	29,901
Deelkraal	4,572	5,827	8,885	11,339
Doornfontein	11,142	14,346	13,338	14,584
Driefontein	84,705	106,577	107,037	109,845
Durban Deep	†4,049	†3,165	5,649	‡6,756
Ergo	16,236	14,024	17,019	13,592
East Rand Pty	†4,624	†5,665	3,741	†7,739
East Transvaal	5,069	5,877	5,550	3,927
Elandsrand	18,557	22,034	23,064	23,590
FS Geduld	32,743	27,419	32,281	23,946
Grootvlei	3,898	6,524	6,268	10,206
Harmony	26,445	40,702	31,990	30,773
Hartebeest	35,461	37,859	38,206	33,820
Kinross	12,073	12,728	13,576	14,317
Kloof	40,942	39,782	41,498	41,721
Leslie	2,724	2,912	2,968	2,443
Libanon	11,391	13,779	15,449	16,647
Loraine	4,018	3,467	†5,134	4,034
Marievale	577	356	733	751
President Brand	43,809	20,072	42,419	24,224
President Steyn	30,262	26,256	30,387	29,515
Randfontein	41,413	50,197	45,351	67,906
St Helena	16,383	13,362	21,531	37,322
South African Land	1,047	1,136	1,585	1,823
Stilfontein	7,771	13,822	8,175	13,257
Unisel	9,614	7,774	9,498	9,180
Vaal Reefs	82,366	107,437	68,125	110,024
Venterspost	2,588	5,142	4,924	4,771
Village Main	187	299	176	132
Vlakfontein	536	620	654	650
West Rand Consolidatd	*827	2,084	3,355	‡3,124
Western Areas	12,903	10,408	12,382	20,537
Western Deep	64,207	57,425	47,382	58,168
Western Holdings	63,016	38,942	39,831	33,807
Winkelhaak	15,559	13,875	13,494	12,637

* Loss. † After receipt of State aid. ‡ After repayment of State aid.

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We also give financial help to old people from all backgrounds who wish to stay in their own homes. We would like to do more but desperately need more money. So please be a Friend of the Elderly by making a covenant or remembering us in your Will; or write today with a donation or enquiry to:

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Tel: 01-730 8263

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3i Term Deposits

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Terms (years)	3	4	5	6	7	8	9	10
Interest %	10¾	11	11	11¼	11¼	11¼	11¼	11¼

Deposits to and further information from the Treasurer, Investors in Industry Group plc, 91 Waterloo Road, London SE1 8XP. 01-928 7822 Ext. 367. Cheques payable to "Bank of England, a/c Investors in Industry Group plc."

3i INVESTORS IN INDUSTRY

هكذا من الأصل

Appointing a new trustee

FINANCE AND THE FAMILY

BY OUR LEGAL STAFF

I am the sole bare Trustee of a field, parts of which are being sold to neighbouring house-owners. On my death, this would normally be administered by my Executors. Is there any advantage in my appointing an additional Trustee and, if so, what is the procedure and the likely cost?

You may find it easier to make good title during your lifetime if a second trustee is appointed to act with you. If you do not wish or expect to sell the land during your lifetime you can appoint one or more executors who can appoint a new trustee or trustees of the land which you presently hold on trust. The cost of having a deed of appointment of a new trustee drawn should be minimal.

VAT and a fitted wardrobe

Following your reply to a readers inquiry which appeared on March 19, I contacted my local VAT office requesting a refund of VAT on fitted wardrobes fitted in my new house in November 1982. I explained that with the exception of the doors, which were prefabricated, the wardrobes had been constructed on site to fit wall to wall in a dressing room. The work took two days.

My request was refused on the grounds that the wardrobes were constructed before a VAT Head Office ruling in March of this year and also because the wardrobes had side panels (flush against the walls).

Is this opinion correct? If not, how do I appeal against it?

Whether or not zero rating is due in respect of the cost of your wardrobes is in our view not affected by the date of a VAT head office ruling. If your wardrobes are fixed to the walls of your house and not easily removable they may qualify for zero rating. There is a case going through the Courts, Viva Gas Appliances Ltd which may throw light on what the rules are. We suggest that you write to the VAT office stating that you reserve your position until the case has been heard by the House of Lords. You might also find it useful to obtain from your VAT office the leaflet which explains the VAT appeal machinery.

Terminating a trust

I administer a family trust which provides a life income for (a) my wife (69) and (b) her brother (75) in equal shares. On the death of (a) the income passes to (c) myself (73). The remaindermen are my children (42), (34), (32) sharing equally. (B) is a widower with no children. Upon his death his half share of the trust falls to my three children, sharing equally. The children have enquired whether the trust can be terminated now. I presume that the agreement of (a), (b) and (c) would be required. Assuming this is obtained what is the procedure? Also the tax situation?

The trust can be terminated by agreement if there are no substitutional gifts to minor or unborn persons (if one or more of your children predecease the life tenants). If the fund is divided on an actuarial basis there should be no tax disadvantage, and there could be some tax saving. You should consult solicitors or accountants on a scheme.

Parliamentary privilege

How far does Parliamentary privilege extend? Suppose a Member seeks to deceive the House with deliberately false statements which are not taken up by other Members but which a member of the public knows to be untrue. I know that he is free from legal action but is he exempt from open criticism or exposure?

There is nothing to prevent your openly criticising what is said in the House of Commons by a Member of Parliament. His recourse is by an action for civil defamation but he need not take that course. However, care must be taken not to reflect upon the motives of the MP or to suggest partiality, malice or corruption, as that might constitute a breach of Parliamentary privilege and be punishable by the House. It is best simple to make a statement correcting the facts.

Avoidance of a tenancy

My uncle died intestate in December 1981, and my aged aunt, his widow, is a resident patient in a geriatric hospital and is incapable of managing her affairs. A house previously occupied by them becomes my aunt's property. This is occupied on a caretaker-only basis by a single working mother and child rent-free and without written agreement, for the past 12 months. That this arrangement to keep the house going in the unlikely event of my aunt ever being capable of resuming occupation is a considerable drain on her very limited capital and cannot be allowed to continue is agreed. Could you please say: Would accepting payment to cover rates from this person constitute recognition as a tenant with tenant's rights? Would a written agreement saying possession be required or sale be valid? Would you advise the sale of the property and contents immediately?

An immediate sale would undoubtedly give less scope for any claim that there is a tenanacy. If that course is rejected, it would be possible to keep the status of a licence rather than tenancy on the lines suggested. This should be done in a form which ensures that only the exact amount of the rates is paid, and preferably under a written licence agreement. Such an agreement is valid provided that it is fully understood and freely agreed to by both parties; but these elements mean that there is always some scope for a claim that there really was a tenancy.

Fire damage and CGT

I have been interested in following the arithmetic you have used in your recent replies re Indexation of CGT and assessment of same. My problems do not seem to be covered by your replies. The property I have sold consisted of two Georgian houses which have and are used as workrooms and listed property. The facts in chronological order are as follows:—

(a) My grandfather left the property to my Aunt and me in equal shares. He died 4th February 1935 and it was valued for Probate at £1,750 in 1935.

(b) On 14th September 1967 our solicitor prepared Vesting Assent and I became sole owner.

(c) In August 1972 a surveyor valued the property

(d) On August 20th a fire occurred and I received £9,526.46p from the Insurance company. Of this I spent £1,267.40p on clearing up, temporary repairs, decorating etc.

(e) On November 29th 1982 I sold the property for £9,250 gross. The expenses incurred in disposing of the property amounted to £339.25p. The property was bought "as seen."

Could you please inform me of the chargeable (CGT) gain (or loss) having due regard to the RPI's and the property values at April 6th 1965 and November 29th 1982?

Unfortunately you have not given us enough precise facts for a calculation of your chargeable gains. The best source of guidance is undoubtedly your solicitor, since he or she knows all the relevant background facts. It seems pretty certain that your solicitor will recommend that you elect for your original (50 per cent) interest in the property to be deemed to have been acquired on April 6 1965, at its then market value, under paragraph 12 of schedule 5 to the Capital Gains Tax Act 1979. He or she will probably also recommend you to claim that the £1,267 expenditure be deducted from the £9,526 insurance moneys, in calculating the first chargeable gain, under section 21(3) of the CGT Act (in conjunction with section 20(2).

The indexation allowance for the first chargeable gain will be 3.1 per cent, if the insurance company's cheque for £9,526.45p arrived in August; but it will be only 3 per cent if they delayed payment until September.

The indexation allowance for the second chargeable gain will be 4.1 per cent. Incidentally, if the contract had been signed two days later, the indexation rate would have been only 3.9 per cent.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

INVESTING IN RETIREMENT

The prejudices of a young pensioner

Christine Stopp continues her series of case studies with a spinster of 66

OUR SECOND case study is based on a portfolio devised for Jennifer Bishop in August 1982 by the Bristol unit trust brokers Hargreaves and Lansdown.

Jennifer is single and aged 66. She gets the state retirement pension and an income of £1,400 a year in rents from some flatlets in a converted outbuilding on her property, which she inherited. In addition she has capital of £80,000.

Before she re-arranged her investments, Jennifer was losing the age allowance because her income was too high, and she was paying investment income surcharge, because her investment income exceeded the surcharge-exempt limit. This brought her spendable income down to £7,409.

The combination of investment income surcharge and the loss of the age allowance meant that, in the band of lost age allowance, she was paying tax at a rate equivalent to 63 per cent.

Jennifer is a young pensioner. She may well need income for 15 or 20 years to come. Yet there was only a limited provision for growth in the investments she had chosen.

Finally, her main holding was of just one gilt, which meant that most of her income was coming at only half-yearly intervals.

Hargreaves and Lansdown designed a new spread of investments which reflected her preference and used her capital more efficiently. The most dramatic effect was the removal of investment income surcharge, the restoration of the age allowance, and the increase in spendable income of £518, a 7 per cent pay rise.

The two main changes made were to put half the portfolio into unit trusts, which would provide growth and a more regular income, and to generate some tax-free income by the use of insurance bonds. One bond chosen as the home for £20,000 was a capital investment bond, a version of the capital and income bonds which were struck down by the Revenue as a tax avoidance vehicle in April

With their demise, it is now only possible to take 5 per cent a year tax free from a bond rather than the 10 per cent withdrawn by Miss Bishop. If the portfolio were being drawn up today, a similar effect could be achieved by cashing in units regularly from a growth portfolio of unit trusts, where only capital gains tax would be payable on the realisation.

Jennifer Bishop decided to keep £10,000 in building society and bank accounts. This was rather more than Hargreaves and Lansdown had advised, and the bank deposits in particular look unattractive today a year later.

But Jennifer feels more at ease, knowing she has plenty of money readily accessible. Hargreaves and Lansdown do not normally like to see more than 10 per cent of a portfolio in this type of investment.

Like many retired investors, Jennifer traditionally put great faith in gilts. The shift to unit trusts was quite a change in philosophy, though some gilt funds continued her exposure in this area. Holding gilts in a unit trust is much more expensive than holding the stock direct—up to 5 per cent front end fee on the unit trust, compared to less than 1.5 per cent commission on direct purchases. This means that unit trusts should never be considered as an alternative if a short term view, say less than two years is being taken.

The reasoning behind gilt unit trusts is that the fund manager will be able to make up for the difference in charges over the medium-term by giving a higher return than would normally be possible with a direct holding in a single stock. Unit trusts also offer generous commission to a financial adviser.

Growth unit trusts invested in gilts as well as equities were included as a matter of balance in Jennifer's portfolio. Though gilts and gilt funds performed outstandingly in 1982, they have not done so well this year. For the 12 months to September 1 1983, the best performing fund was Legal and General Gilt, which grew by 19.1 per cent with a 5.2 per cent yield. This is poor compared to performance in other unit trust sectors, but still beats a direct holding. Surprisingly, no index-linked gilts were used, although direct holdings in these are easier to manage. The prices are less volatile and less at the mercy of interest rate changes.

To provide regular income, Hargreaves and Lansdown chose for Jennifer a portfolio of high-yielding unit trusts, which give her an average yield of 7.5 per cent on £20,000. Though she could get a higher income elsewhere, the purpose of the unit trusts is to produce some growth as well.

The other advantage of income from unit trusts is that by investing in a spread of funds, income can be received monthly or almost monthly. Many unit trust brokers offer their own "income portfolio." as do some unit trust management groups. The Hargreaves and Lansdown scheme, invested in five funds gives income in 10 months of the year.

The £10,000 was spread equally between five fund[s]: Crescent Capital, Perpetu[al] Group Growth, M & G Amer[i]can Recovery, Equity & La[w] North America and Prolif[ic] Special Situations. The choic[e] was designed to provide [a] broad geographical sprea[d] without any excessivel[y] specialist funds which migh[t] prove too volatile.

Hargreaves and Lansdow[n] choose unit trusts on the bas[is] of the fund manager's record. They also believe recentl[y] launched funds perform pa[r]ticularly well. Jennifer's £10,00[0] invested in the unit trusts i[s] now worth £17,452.

Hargreaves and Lansdow[n] have said they would mak[e] only a few changes in th[e] unit trust portfolio today. The[y] have suggested that Jennife[r] move some of her money from Crescent Capital into anothe[r] new fund, Crescent Resources where she will get a 2.5 pe[r] cent discount on the initial fe[e] for switching within the sam[e] group. If they were designing the portfolio now, they would invest more in Japan.

JENNIFER BISHOP: BEFORE

Income	£	Capital invested £	£
State retirement pension			1,600
Stocks and shares		66,500	6,106
Income from property rents			1,400
Building societies		7,500	828
Bank deposit account		6,000	540
			10,474
Less tax: (1982/83 rates)			
1,565 @ Nil			
8,909 @ 30%	2,672		
Investment income surcharge	393		3,065
Net spendable income			7,409

JENNIFER BISHOP: AFTER

Taxable income	Capital invested £	£
State retirement pension		£1,60
Income from property rents		1,40
High yielding unit trusts	20,000	1,50
Building society	8,000	91
Gilt growth unit trusts	10,000	60
Bank deposit account	2,000	18
Growth unit trusts	10,000	10
		6,29
Less tax: (1982/83 rates)		
2070 @ Nil		
4224 @ 30%		1,26
		5,02
Plus tax-free income:		
Guaranteed income bond	10,000	90
Capital investment bond	20,000	2,00
Net spendable income		7,92

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The cash value of your Bond depends on fund performance. The value of some investments can fall as well as rise, but on the basis of our past record, investment expertise and experience we are confident of strong future growth.
*The Inland Revenue will reclaim some or all of the tax relief you have received if you cash in your Bond during the first 4 years.
† Figures as at 12th September, 1983.

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We have representative offices in Chicago, Los Angeles, Paris, Melbourne and Singapore.
We have had over 50 years' experience of international investment management.
Currently we have over £2.5 billion funds under management.
We are now putting these resources behind two new funds of great potential which will draw on realistic investment opportunities anywhere in the world.

INTERNATIONAL RECOVERY FUND

The process of recovery affects different companies in different countries at different speeds. In some cases this change of fortune has been brought about by cyclical change, in others by more fundamental changes within a company or an industrial sector. The investment opportunities offered by recovery companies are considerable if you have a sufficient level of international resources to identify and monitor them.

Investment objectives: The Fund aims to provide capital growth from a professionally managed portfolio invested exclusively in recovery situations, on an international basis.

Investment strategy: The Managers will be looking for companies throughout the world regenerated by new management, new technology or new markets, as well as those emerging from a cyclical recession. The Managers will use the international resources of Kleinwort Benson to capitalise on the potential of this sector.

WORLDWIDE TECHNOLOGY FUND

Investing in this rapidly changing sector requires the resources not only to identify those companies which are in the forefront of technological change, but equally important to assess their international market potential. This can only be achieved with specialised expertise and global resources.

Investment objectives: The Fund is structured to produce significant capital growth from an actively managed portfolio of companies concerned with the profitable application of technology and companies involved in technological development.

Investment strategy: The Managers will seek out and invest in areas of mainline technological growth with particular regard to their long term prospects. The Fund is not restricted to any particular area of technology, although emphasis will be placed on new trading area and management concepts. Initially 60%-80% of the portfolio will be invested in the US with the balance in Europe and Japan. A proportion will be held in unlisted companies.

SPECIAL INTRODUCTORY DISCOUNT TO 18 NOVEMBER

A special introductory discount reducing the initial charge from 5% to 3% will be applied to all applications received by close of business on 18 November 1983.

The launch offer price for both Funds is 50p until 11 November 1983. During the week ending 18 November the special launch discount will apply to the current ruling offer price.

For professional investment advisers and registered intermediaries, usual commissions will be paid. Rates available on request.

HOW TO INVEST

To invest in these two new Funds, complete the coupon below and post it to the Managers, together with your cheque. (See details of the launch discount which will buy you extra units.) Or apply through your stockbroker or other professional adviser.

Remember the prices of units and the income from them may go down as well as up.

KLEINWORT BENSON

A POWERFUL PRESENCE IN INVESTMENT MANAGEMENT

GENERAL INFORMATION
A contract note for your investment and a leaflet will be sent immediately on receipt of your application. A unit certificate(s) will be sent to you within 28 days.
Charges: an initial charge of 5% of the value of each unit issued is included in the price. An annual charge of ¾% (+ VAT) of the value of each Fund is deducted from the Fund's gross income. The maximum permitted annual charge under the terms of the Trust Deed is 1% (+ VAT).
Prices: after the close of the initial offer, prices will be calculated daily and both prices and yields are quoted in the Financial Times and other national press.
Annual Income Distribution Dates: International Recovery Fund: Interim 14 July, commencing 1984; Final 14 January, commencing 1985; Worldwide Technology Fund: Interim 14 April; Final 14 October, both commencing 1984.
Gross estimated starting yields: International Recovery Fund 2% pa; Worldwide Technology Fund 0.5% pa.
Selling your units: units may be sold back at any time at the bid price ruling when we receive your signed certificates. You will receive a cheque within seven days of our receiving your signed certificate.
Traded Options: the Funds are authorised to purchase "call" and "put" options and to write call options on authorised investments.
Trustees: Barclays Bank Trust Company Limited, Juxon House, 94 St Paul's Churchyard, London EC4M 8EH.
Managers: Kleinwort Benson Unit Managers Limited. Registered office: 20 Fenchurch Street, London EC3P 3DB. Tel: 01-623 8000. Reg no. 992554. Member of the Unit Trust Association.
This offer is not open to Residents of the Republic of Ireland.

To: Kleinwort Benson Unit Managers Limited, 20 Fenchurch Street, London EC3P 3DB. Tel: 01-623 8000.

I/We enclose a cheque for £____ (minimum investment in each Fund £1,000) payable to Kleinwort Benson Unit Managers Limited for purchase of units at the fixed offer price of 50p applicable to 11 November 1983 (thereafter at the offer price ruling on receipt of this application) and subject to the discounts advertised.

Kleinwort Benson International Recovery Fund £ ____ tick box for reinvestment of income
Kleinwort Benson Worldwide Technology Fund £ ____

I am/We are over 18.

Surname (Mr/Mrs/Miss) ____ (block capitals please)
First Names ____
Address ____
Postcode ____
Signature ____ Date ____
(Joint applicants must all sign and supply names and addresses separately) FT 22/10

THE ROYAL LONDON'S FIRST TRUST WAS A CLEAR WINNER.

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+133·9% IN 2 YEARS*

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The Royal London's first Trust, the Capital Accumulator Trust, was launched in June 1981. It has outstripped all other UK General Trusts with a massive 133.9% growth in the past 2 years. (Money Management statistics to 1st October 1983 – to be published November)*

The Royal London Unit Trust Managers are a wholly-owned subsidiary of The Royal London Mutual Insurance Society Limited, whose proven investment skill has achieved excellent results for policyholders over many years and is now being put to very good use for unitholders.

Now you have three further opportunities to benefit from the management skills of this highly successful team with 3 new unit trusts – each trust offered with a special 2% opening discount for a limited period.

It should be remembered that the price of units, and the income from them, may go down as well as up and so you should regard this as a medium to long term investment opportunity.

SPECIAL SITUATIONS TRUST

Aims and Objectives. To maximise growth of capital by means of an actively managed equity portfolio invested in Special Situations within the U.K. and overseas.

Traded Options, shares quoted on the Unlisted Securities Market and some Fixed Interest securities may also be held from time to time.

The Portfolio. This trust will invest in situations which often may not come to the attention of private investors until it is too late for them to benefit. These will include potential takeover stocks, new issues, small companies with above-average potential, companies that generally appear to be under valued and Traded Options.

The Royal London investment team has been particularly successful in recognising those special situations that occur whatever the general market trend may be at the time.

The Yield. Income is not a priority and the initial gross yield is estimated to be approximately 1%. Income will be distributed half-yearly net of basic rate tax, on 10th May and 10th November each year commencing on 10th May, 1984.

AMERICAN GROWTH TRUST

Aims and Objectives. To maximise growth of capital by means of an actively managed equity portfolio invested primarily in the United States. Traded Options and some Fixed Interest securities may also be held from time to time.

The Portfolio. This Trust will be investing initially in the stocks of smaller and more dynamic U.S. Companies which have the best prospects for expansion in the current U.S. recovery.

The Royal London investment team already successfully manages over £50m in American stocks for policyholders and maintains daily contact with U.S. stockbrokers. Members of the team visit the United States from time to time to assess the potential investment situation.

The Yield. Income is not a priority and the initial gross yield is estimated to be approximately 1%. Income will be distributed half-yearly, net of basic rate tax, on 10th March and 10th September each year, commencing on 10th March 1984.

INCOME AND GROWTH TRUST

Aims and Objectives. To provide an increasing income for investors, whilst leaving scope for growth in capital over the years, by investing mainly in ordinary shares within the U.K.

Traded Options, shares quoted on the Unlisted Securities Market and some Fixed Interest securities may also be held from time to time.

The Portfolio. This trust will invest mainly in high-yielding equities within the U.K. that also have potential for capital appreciation. These may be recovery stocks, stocks currently 'out of favour' and shares of smaller companies with good prospects for growth in both share price and dividends.

Our investment team has considerable experience of investing successfully for longer term growth of both income and capital.

The Yield. The initial gross yield is estimated to be approximately 7% and income will be distributed quarterly, net of basic rate tax, on 20th March, June, September and December each year, commencing on 20th March 1984.

GENERAL INFORMATION

Initial Offer Details. [illegible]

Buying and Selling Units. [illegible]

Charges and Remuneration. [illegible]

Trustee and Trust Deed. [illegible]

Managers. [illegible]

Member of the Unit Trust Association.

To: The Royal London Unit Trust Managers Limited, 72/80 Gatehouse Road, Aylesbury, Bucks. HP19 3EB. Telephone: Aylesbury (0296) 5941.

2% INTRODUCTORY DISCOUNT UNTIL 28th OCTOBER 1983

I/We wish to take advantage of your Discount Offer and invest in one or more of the following Royal London Unit Trusts at the initial offer price of 50p (less 2% discount for applications with cheques, received before 28th October, 1983).

The Royal London Special Situations Trust	The Royal London American Growth Trust	The Royal London Income & Growth Trust
£ (MIN £500)	£ (MIN £500)	£ (MIN £500)

A cheque made payable to The Royal London Unit Trust Managers Limited ... (BLOCK LETTERS PLEASE)

Surname (Mr/Mrs/Miss) ... First Names (in full) ...

Address ...

Signature ... Date ... FT/22/10

Over 18 only. Offer not available to residents of the Republic of Ireland.

THE ROYAL LONDON UNIT TRUST MANAGERS LIMITED

FINANCIAL SUPERMARKET

How to clear your paper mountain

CLIVE WOLMAN on the pros and cons of a packaged banking, credit and financial management service

IF YOU are constantly submerged under mounds of bank accounts, credit card bills, stock execution forms and demands from your bank manager to settle your overdraft, you may be tempted into the cosy embrace of Mark Weinberg and the all-in-one financial management package his Hambro Life Assurance company launched this week.

The U.S.-style financial supermarket which Weinberg threw open has a few important products missing from the shelves. His price tags too will deter all save the wealthiest members of the population. Weinberg says he is aiming for the richest 1.5m. But his is the first store to be opened in this country.

The Allied Hambro Financial Management Programme aims to save you time and administrative headaches by bundling together the following services:

● An interest-bearing current account with a cheque book and cheque guarantee card in the name of Dunbar, Hambro's banking subsidiary. Interest is paid at a rate of 5.5 per cent on balances of less than £2,500, increasing in three bands to a rate slightly below that of the money markets when your account is in the black by over £10,000. The top interest rate currently is slightly below 9 per cent. There is also a telephone link open 10 hours a day.

● An automatic credit line which can be tapped merely by writing a cheque. The overdraft limit is 40 to 60 per cent of the value of the investments placed with FMP. The higher percentage is available if the investments are held in Hambro bonds and unit trusts. The interest rate charged is 2½ per cent over base rate. In the longer term, this may be reduced for reliable customers.

● A Diners Club charge card.

● Administration of the buying, holding and selling of shares, bonds and unit trusts. This covers all the paperwork and the receipt of dividends. Stocks are put in the name of the FMP.

● An optional portfolio management service, for assets of £50,000 plus.

● A comprehensive monthly statement of all transactions and an evaluation of assets. There is also an annual summary designed to simplify tax returns.

A similar package of financial services was introduced in the U.S. six years ago by the brokerage house Merrill Lynch and now has nearly 1m clients. Over the past two years a number of competing services have been launched across the Atlantic.

The Hambro service, however, lacks some of the facilities the Americans offer or which would be more useful in a British context.

● There is no access to the cash dispensing machines which are so useful at weekends. And cheques of up to £50 may be cashed only at the branches of National Westminster (using the Diners' Club card) and Williams and Glyn's bank in England and Wales, unless special arrangements are made. So those who join the service should maintain a current account at their high street clearing bank.

● The FMP does not offer long-term mortgages or other loans on the security of non-financial assets. The best it can do is to allow the overdraft facility to be used as a bridging loan or even a longer-term loan of up to seven years. But a fluctuating overdraft would make it difficult for a customer to use up the full tax relief on a mortgage.

Mark Weinberg

● No stockbroker-style advice service is available for the buying and selling of shares. Clients are recommended to continue using their own stockbroker who will pass on the details of transactions to FMP.

The charges and other conditions are generally tougher than those across the Atlantic. A minimum of £25,000 of cash, shares and other financial assets must be placed with FMP, double that normally required in the U.S.

There is a £60 annual subscription. This includes membership of the Diners' Club that normally costs £20. Other banking charges include the standard 30p per cheque or standing order payment and 20p for a direct debit or credit.

The clearing banks normally waive these charges if a customer account is more than £100 in credit. This is a more tax-efficient way of meeting the costs of banking services as the customer effectively pays out of his pre-tax income (the interest foregone on his balance). The FMP customer may also opt to use this method of payment under terms approved by the Inland Revenue.

One further reservation. The philosophy of Mark Weinberg to date has been expressed in his maxim, "The pioneers always get scalped." He has usually let other companies launch products before jumping in himself with a few refinements and the creases ironed out.

But this time he is the pioneer with a service based on a sophisticated computer system he bought last year, and which has been developed at a cost of £2.5m. So his customers will be the ones to suffer any teething troubles. In the U.S., Merrill Lynch's service has had its quota of computer horror stories. And although you will have personal contact with your salesman or insurance broker, it won't be as easy to complain or discuss problems as going into your bank for a chat with the manager.

However, the high street clearing banks are years away from introducing any comparable form of service. Although they offer most of the services included in the FMP, there is no attempt to co-ordinate them. Barclays U.S. subsidiary however is now marketing a packaged service.

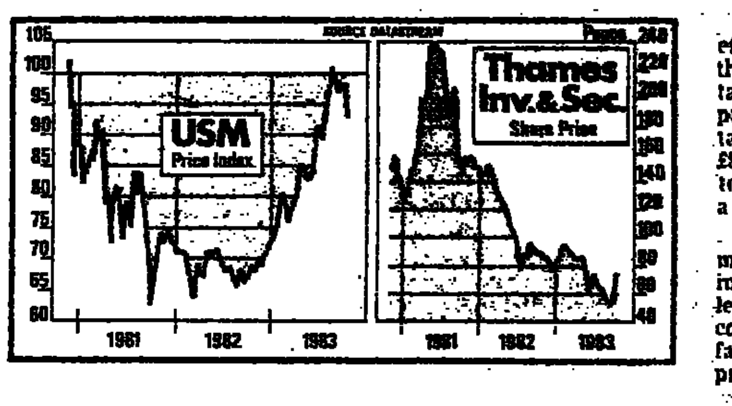
If any imitators emerge over the next few years, they will probably be other insurance or unit trust management companies such as Britannia Arrow or Save and Prosper which already offer high interest chequing accounts.

But if you despair of the continual bombardment from different directions of bits of paper, and you don't have the time or patience to pay bills and switch money between accounts to make the most of their charging structures, then it may be worth paying for peace of mind.

UNLISTED SECURITIES MARKET

A tale of two mishaps

RAY MAUGHAN looks at some of the recent upsets for small investors on the junior market



TWO OF the participants in the Unlisted Securities Market have come badly unstuck in the past eight days. Their problems have heightened the pessimism in this hugely diversified "junior" market where recently the trend of share prices has been determinedly southbound (see graph).

As it approaches its third birthday, the USM is currently sporting 186 stocks, two of which are suspended at present. Given that its issues are, or should be, plainly stamped with a health warning, surprisingly few have wiped their enthusiastic investors out.

The list of casualties is headed by Euroflame, the wood burning stove outfit, and followed by the motor-cycling firm, Hesketh and Iotechnology. The walking wounded include Nimslo, the ambitious 3-D camera development project, and Breville, which makes toasted sandwich appliances.

To this list must be added Chemical Methods, Technofan, now quoted at £190 against a placing price of £355 per share, and Thames Investment Securities.

Chemicals Methods, which produces dishwashers for the food service industry, has been an acute disappointment since its exuberant market debut last May at 115p per share. New machines have suffered installation problems and key staff have moved to competitors. These problems led to an enormous shortfall against forecast profits and a share price suspension.

Dealings in the shares resumed this week after an unusual announcement from the board, and its backers, Aitken Hume, the fast expanding merchant bank. The group said that shareholders could have all their money back. Or, if they were prepared to hang on, they would be guaranteed a minimum income of 10 per cent this year and next and a free distribution of new shares on a one-for-four basis.

But while Chemical Methods has made some recompense, the fate of shareholders in Thames Securities is not so clear.

At an extraordinary meeting on October 31 in the offices of Thames' new-found merchant banker, Grindlay Brandts, shareholders will have an opportunity to discover just what has happened to precipitate the share suspension at 80p, the resignation of Mr Joseph Benjamin, the chief executive and founder of the property company, and a write-down of asset values to just 67p a share.

As one of the jobbers in the shares said at the end of the week: "The shares have been quoted at the wrong price for the last six to nine months. They were either worth £2 per share or 20p."

How was it that even a market professional was unable to get at the facts which would have provided the basis for proper price-making? Part of the answer lies in the general accounting practice of the entire quoted property sector. The publication of up-to-date portfolio values, based either on a directors' valuation or an estate agent's appraisal, has only just become standard practice.

For Thames' investors, the effect of board changes and the ensuing determination to take a conservative view of property worth has been salutary. Rental income of some £800,000 per annum has failed to cover its interest costs by a country mile.

Moreover, the values of the mixed offices, factory and shops investment portfolio spread the length and breadth of the country have been revealed to fall far short—by £2.58m—of previous book values.

"We don't know how to price Thames when the shares come back from suspension. We won't be terribly keen to take positions," jobbers say.

Would it be fair, then, to judge the USM by the failings of Thames? Perhaps not. If there is a common denominator to disappointing stocks such as Technofan, Chemical Methods, Breville and Nimslo, it is that all are based abroad.

The USM may come to be regarded as an unguarded well of capital for reckless overseas financiers to dip into, unless the recent upgrading of the supervision of new arrivals by the Stock Exchange proves to be effective.

HELP BRITISH BUSINESS – AND YOUR CAPITAL – GROW

Take full advantage of the tax relief available for Business Expansion Fund investors

A £4,000 investment could cost you only £1,000*

SABRELANCE BUSINESS EXPANSION FUND

● The Sabrelance Business Expansion Fund is being launched to provide £1.5m of private investment capital for small unquoted British companies under the Government's Business Expansion Scheme.

● Tax relief, at your highest marginal rate, is available on investments up to £40,000 made in the current financial year. (*Assumes tax relief at the full marginal rate of 75%).

● Sabrelance offers low cost investment opportunities in a wide range of carefully selected developing companies with high growth potential.

● Sabrelance can provide much more than investment capital for business. The Fund has available a wide range of management skills which will be used to nurture companies and realise their full potential.

Applications received prior to 12th November, 1983, will qualify for reduced management charges. The Fund closes on 9th December, 1983. Participation can only be made on the basis of the Memorandum describing the Fund, which can be obtained either by returning the coupon or by telephoning 01-493 3599. Investors should recognise that such investments carry high risks as well as the chance of high rewards. Note, before deciding to proceed with subscription to the Fund, you should seek advice from your Stockbroker, Bank Manager, Solicitor, Accountant or other professional adviser. The Sabrelance Business Expansion Fund is approved by the Inland Revenue under the terms of the Finance Act 1983 and managed by Sabrelance Limited, Licensed Dealer in Securities, 20-21 Princes Street, Hanover Square, London W1R 8PX. Tel: 01-493 3599.

To: Sabrelance Limited, 20-21 Princes Street, Hanover Square, LONDON W1R 8PX.

Please send your Offer Memorandum.

Name ...

Address ...

U.K. CONVERTIBLE STOCK 22/10/83

Statistics provided by DATASTREAM International

Name and description	Size (£m)	Current price	Terms*	Conversion dates§	Flat yield	Red yield	Premium† Current	Premium† Range‡	Income Equ§	Income Conv¶	Income Div◇	Cheap (+) Dear (−) Current
British Land 12pc Cv 2002	9.60	277.50	333.3	80-91	4.3	1.4	0.3	− 4 to 8	44.2	58.8	5.3	+ 5.0
Hanson Trust 9½pc Cv. 01-06	81.54	213.00	107.1	85-01	4.6	2.2	−5.8	− 6 to 1	147.8	72.0	−28.5	−27.7
Slough Estates 10pc Cv 87-90	5.03	238.50	234.4	78-84	4.2		−5.8	−12 to −1	6.6	4.9	− 0.7	+ 5.1
Slough Estates 8pc Cv 91-94	24.72	108.50	97.5	80-88	7.5	7.0	3.0	−38 to 14	21.3	28.4	6.7	+ 3.7

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ◇ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness, − is an indication of relative dearness. ⑤ Second date is assumed date of conversion. This is not necessarily the last date of conversion.

Out performing all authorised unit trusts for growth.

A breathtaking rise of 1,315% in just over 9 years

£1,000 invested in 1974 would now be worth £14,150.

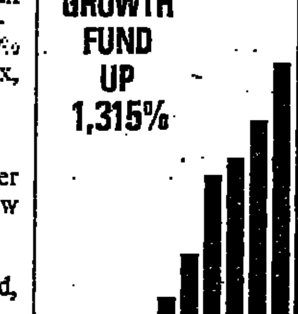
The Perpetual Group Growth Fund has out performed all other authorised unit trusts for growth over the period since it was launched on 11 September 1974, to 30 September 1983.

The units have risen an impressive 1,315%, compared to a rise of only 389% in the F.T. Ordinary Index, and the 205% rise in the rate of inflation.

If you had invested £1,000 on 11 September 1974, your units would now be worth a staggering £14,150. And remember, until these units are sold, there is no liability to Capital Gains Tax.

If you had put that £1,000 on deposit in a Building Society Share Account, for example, it would now be worth only £2,020.

How well have *your* current holdings done over the same period?



Perpetual Britain's Fast Growing Unit Trust Managers

In the past 4 years, the funds managed by Perpetual have grown more than 10 fold – now approaching £80 million invested worldwide. Perpetual's international investment philosophy is the most important factor behind the successful investment performance of the three established Funds.

The Growth Fund is a proven vehicle for those investors who wish to expose their portfolios to international potential so as to provide prospects for greater capital growth.

The Worldwide Recovery Fund is an exciting international portfolio of risk and reward.

With the Income Fund, the Managers aim to provide an above average income coupled with prospects for income and capital growth.

The newly launched American Growth Fund offers an exceptional opportunity to invest exclusively in North America, the largest economy in the free world.

Perpetual Group Growth Fund

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TO: Perpetual Group, 48 Hart Street, Henley-on-Thames, Oxon RG9 2AZ. Telephone (0491) 576868.

Please send me details on

- ☐ Growth Fund
- ☐ Income Fund
- ☐ Worldwide Recovery Fund
- ☐ Share Exchange
- ☐ American Fund

NAME (Mr/Mrs/Miss)

ADDRESS

POSTCODE FT1/06

Perpetual

Britain's Fast Growing Unit Trust Managers

هكذا من الأصل

A statement from Mark Weinberg

ALLIED HAMBRO FINANCIAL MANAGEMENT PROGRAMME

FMP STATEMENT – 28 October 1983

INTEREST-BEARING CURRENT ACCOUNT		£ 6,307
SECURITIES ADMINISTRATION SERVICE		£15,651
Allied Unit Trusts	2,578	
Other Unit Trusts	6,057	
Hambro Life Investment Bonds	2,506	
Other Investment Bonds	3,510	
Unquoted Investments	1,000	
PORTFOLIO MANAGEMENT SERVICE		£54,879
Gilt-Edged Securities	3,650	
U.K. Equities	31,216	
Overseas Securities	20,013	
NET ASSETS IN FMP		£76,837

FMP OVERDRAFT FACILITY

Overdraft Facility	£30,000

ESTATE SUMMARY

NET ASSETS IN FMP		£76,837
ASSETS OUTSIDE FMP		
Main Residence	100,000	
Less Mortgage	30,000	70,000
Other Assets	15,000	
Less Borrowing	5,000	10,000
VALUE OF TOTAL ESTATE		£156,837
Plus Life Assurance Cover		£90,000

OTHER PAGES

FOR IMMEDIATE PERSONAL SERVICE PHONE ACTION LINE SWINDON (0793) 488499 OPEN 8 AM to 6PM BUSINESS DAYS
(and answerphone service operating 24 hours a day, 7 days a week)

"Few people enjoy managing their money.

Making it, yes. Managing it, no.

Reconciling cheque stubs, arranging transfers to and from deposit accounts, handling investment paperwork, collecting vouchers for tax returns are no-one's idea of fun.

I'd like to tell you about a new service that manages your money and investments for you, efficiently and painlessly.

Above is a monthly statement from the Financial Management Programme for one of its clients, Mr. A.

It saves him a lot of time.

Instead of dozens of bits of paper – from his bank, his credit cards, his stockbroker, his unit trusts – he receives just one concise, financial breakdown, from his FMP.

The accompanying statement for his interest-bearing current account shows the name of the payee of each cheque.

The amount of his built-in overdraft facility* – a unique feature of FMP – is clearly set out.

His share portfolio statement lists all his holdings, valued that day, and shows his investment income.

And his charge card transactions too are shown in full – membership of Diners Club is automatic with FMP.

Also included in Mr. A's FMP is an estate summary, a monthly diary and, at the end of the tax year, an annual summary for his tax return.

Behind his statement he gets the combined resources and expertise of three of the City's most successful and innovative companies – Dunbar & Company, Hambro Life and the Allied Unit Trust Group, who together manage assets exceeding £2.5 billion.

Mr. A, of course, doesn't exist and until now neither did FMP or anything like it.

That's because it represents something enti ely new in the way people run their finances.

And if you can run to £25,000 in cash an securities (if you've read this far you almost ce tainly can) send me the coupon.

I'll look forward to sending your statemen each month."

To: Dunbar & Company Ltd.,
Allied Hambro Centre, Swindon SN1 1EL.
For more information, complete this coupon or call 0793 488499 (24 hour service).

Name__________
Address__________
____
__________ Tel: __________

ALLIED HAMBRO
FINANCIAL MANAGEMENT

FT3210

*Written information about the terms of the overdraft, which would be secured again the investments in the Programme, is available on request.

DUNBAR & COMPANY LTD Private banking services · HAMBRO LIFE ASSURANCE plc Britain's largest unit-linked insurance company · ALLIED UNIT TRUSTS LTD One of the founders of the unit trust industry

IANCIAL FUTURES

4 chance to play the stock market without any shares

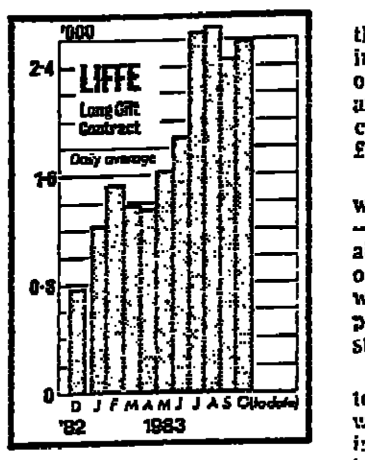
ESTORS WILL be given opportunity to take up ions in the stock market out buying any individual es or options through a new of contract to be launched ie next six to nine months.

ie appearance of a futures ract to allow speculators to movements in the FT 30-e index or some other ty market index, should help unit trust and invest-t trust managers to produce moother and less volatile ormance, by letting them ge their positions.

letter from the London and rnational Financial Future hange (LIFFE) to Sir iolas Goodison, the Stock hange chairman this week ies against the use of the 30-share index or the FT share index as the basis for futures contract. It sug-s the introduction of a new ex covering 100 shares from the industry sectors.

he 30-share index is said to be representative enough provide a basis for fund ingers to hedge a UK equity tfolio over several months. contrast, the FTA All-Share ex is considered insufficiently itile to attract speculators market-makers.

he UK equity market ires contract is one of two contracts now being eloped by LIFFE. The er is for a U.S. bond con-t. Both are expected to be nched in the spring or early imer of next year.



In the U.S. markets, in New York, Chicago and Kansas City, the popularity of stock market futures has soared since their introduction 18 months ago. The value of stock index futures contracts bought and sold on an average day is far in excess of the volume of trading in the underlying share markets.

Private investors have recently been flocking to the stock index futures exchanges. According to Leo Melamed, of the Chicago Mercantile Exchange, they should account for about 30 per cent of the turnover there this year.

The contracts are devices to allow investors to speculate on the general movements of share prices over, say, the next three, six or 12 months. Money can be made (or lost) both when the market is going up and when it is going down.

The other major attraction is that such a contract allows buying into a diversified "portfolio" of shares for low commission and dealing costs. The standard contract is likely to be for £25,000 worth of shares.

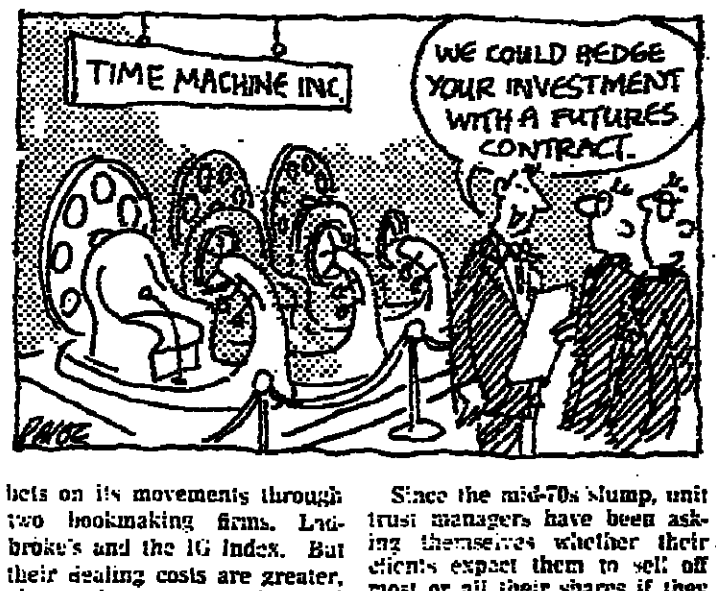
But the amount of money which is obliged to be deposited —the margin—should be only about £1,500. For a contract of this size, the brokerage costs will be about £25 or just 0.1 per cent. And there will be no stamp duty to pay.

If a £25,000 contract seems too much, doubtless syndicates will emerge to let the smaller investor join in the fun. According to Brian Williamson, chairman of LIFFE's market development, "we will be marketing the contract to individuals in a more aggressive way than with our other contracts."

He estimates individuals account for 20 per cent of the turnover in LIFFE's most-traded contract, its 20-year gilt future, whose popularity has been rising steadily (see graph). But it is likely to be overshadowed by a stock index future.

Another way of speculating on stock market movements will be buy using the option contracts on the market index which are also to be launched next year. With options, the maximum losses the speculator can suffer are limited to the cost of the option.

At present speculators on the FT 30-share index can place



bets on its movements through two bookmaking firms, Ladbroke's and the IG Index. But their dealing costs are greater, about 0.4 per cent of the level of the index, and they can bet on the level of the index only as far as three or four months out. If the LIFFE contract proves popular, it should be possible to bet up to 15 months ahead.

However the profits made on bets are not subject to tax, whereas the profits on futures contracts are liable either to income tax or, if your tax inspector is good-natured, to capital gains tax. So until the Inland Revenue overhauls its anomalous policy on the taxation of futures contracts, speculators will probably stick to the bookmakers.

However, *losses* on futures contracts are offsettable against Capital Gains Tax or income tax (under Schedule D(vi)), whereas losses on bets are not offsettable against anything.

So an individual who wishes to hedge against a fall in the stock market without selling off his share portfolio immediately may find the futures market more useful.

Since the mid-70s slump, unit trust managers have been asking themselves whether their clients expect them to sell off most or all their shares if they anticipate a savage bear market.

Stock index futures will allow them to keep their shares but hedge against a market fall. If their own shares fall less steeply than the market, their unit-holders will continue to make money despite the general despondency.

Further refinements will be possible if a stock index futures contract is followed by contracts on the indices of individual market sectors such as oils, banks or electricals. Such contracts are now appearing in the U.S.

Thus a unit trust manager whose skill lies in finding undervalued companies rather than forecasting market trends could use the futures market to maximise his returns without exposing himself to risks he could not effectively manage. In Chicago about 20 per cent of the daily trade is believed to come from mutual funds, the U.S. equivalent of unit and investment trusts.

Clive Wolman

Finding a low tax security

As a sequel to our series on Lloyd's ERIC SHORT discusses the "cash deposit" problem.

THE [illegible] 'CENT series on Lloyd's insurance market discussed the requirement that members put up security 25 per cent of their insurance premium limits in what are known as cash deposits.

Lloyd's has strict rules on the range of assets that can be used in these cash deposits. It also offers its own special deposit fund of gilts and blue chip equities, with one-quarter of the deposit being in cash and short-dated gilts.

These assets are held in trust by Lloyd's for the members. The names are entitled to the income from the cash deposits, but not to any capital appreciation.

As an alternative to making a "cash deposit," names can submit a guarantee from a bank or an insurance company.

The bank guarantee enables names to put up assets that are not acceptable, such as property, land, unquoted shares and so on. But the bank usually requires an assignment of assets worth at least 150 per cent of the amount it is guaranteeing. There is also an annual charge for the guarantee, usually 1 per cent.

However, after the first year, these charges can be offset against tax.

Over 70 per cent of new names now use guarantees, primarily because their assets are mainly in land and property.

Life companies have only been involved in giving guarantees since the 1979 entry of Scottish Equitable Life Assurance Society. This company has designed most of the savings plans that back the guarantee.

Under the Scottish Equitable Guarantee plan, the Lloyd's member invests a lump sum with the life company equivalent to the guarantee, that is

to say the cash deposit required.

For existing names, this may mean switching out of most of their gilt and cash deposits, thus possibly creating a capital gains tax liability.

Part of the lump sum is used to pay the first annual premium on a 10-year with-profits policy. The rest is used to buy a nine-year temporary annuity. The net annuity payments are first used to pay the remaining annual premiums on the 10-year policy. An annual income is also paid to the investor.

The basic sum assured on the 10-year policy is at least equal to the guarantee, and this amount increases every year with the bonus declarations. There is a final terminal bonus payment after 10 years.

Such an arrangement is certainly more tax efficient than making cash deposits and can be more efficient than holding gilts.

The Scottish Equitable plan offers the life assurance tax credit on the annual premium payments. But more importantly from the high rate taxpayer's view, the maturity payment is free of all taxes while the life company managing the money is taxed at favourable rates.

There are two main versions of the plan, an income and a capital growth plan. The table shows the effect of the scheme for a man aged 40 paying tax at 50 per cent who invests £50,000.

By using cash deposits, the investor in the table would have a net income of only £3,000 or a capital rolled up of £89,342, assuming the investments yield 12 per cent gross.

After 10 years, the member can leave the maturity money effectively on deposit with Scottish Equitable.

The final feature of this scheme is that Scottish Equitable makes no charge for the guarantee.

	Income Plan £	Growth Plan £
Estimated maturity value excluding terminal bonus	50,000	115,747
including terminal bonus	56,445	130,689
Estimated net income	4,257	Nil

These quotations assume current bonus rates are maintained.

The Association of Investment Trust Companies

THE INVESTMENT TRUST TABLE

The figures in the columns below are based on information supplied by the companies named, which are members of The Association of Investment Trust Companies. The figures are unaudited.

Columns (1) to (6): as at close of business on Monday 17th October 1983. Columns (7) to (11): as at 30th September 1983. Column (12): Total Return on N.A.V. over 5 years to 30.9.83.

Total Net Assets (1) £ million	INVESTMENT POLICY Trust (2)	Management (3)	Share Price (4) pence	Yield (5) %	Net Asset Value (6) pence	Geographical Spread: UK (7) %	Nth. Amer. (8) %	Japan (9) %	Other (10) %	Gearing Factor (11) base=100	Total Return on N.A.V. over 5 years to 30.9.83 (12) base=100
	CAPITAL & INCOME GROWTH										
†	Aberdeen	Aberdeen Fund Managers	124	5.1	†	†	†	†	†	†	†
330	Alliance Trust	Independently managed	433	4.1	642	38	48	8	6	95	241
53	Anglo Scottish	Gartmore	114	3.1	145	44	46	5	5	103	246
68	Bankers	Touche, Remnant	124	4.6	173	59	27	9	5	105	250
164	Border & Southern	John Govett	106	4.0	164	43	26	21	10	103	214
56	British American & Gen.	Kleinwort Benson	77	4.8	102	53	38	4	5	102	211
237	British Investment	Independently managed	245	6.2	373	48	40	11	1	87	217
58	Brunner	Kleinwort Benson	57	4.5	78	47	42	5	6	102	249
44	Cardinal	F & C Management	124	4.2	170	55	24	6	15	108	232
65	Charter Trust & Agency	Kleinwort Benson	54	4.9	79	52	35	9	4	104	255
98	Continental & Industrial	Schroder Wagg	385	5.3	563	53	45	-	2	103	241
130	Drayton Premier	Montagu Inv. Man.	262	6.0	412	56	27	14	3	94	†
30	Dundee & London (q)	Tay & Thames Inv. Serv.	142	4.3	175	64	22	11	3	101	222
369	Edinburgh Investment	Independently managed	88	4.1	117	44	39	9	8	95	283
94	First Scottish American	Independently managed	190	3.9	252	41	40	17	2	106	220
66	Fleming Universal	Robert Fleming	203	4.8	300	58	27	7	8	98	202
434	Foreign & Colonial	F & C Management	89	3.6	135	40	32	21	7	112	233
43	General Consolidated	Philip Hill	174	5.7	229	57	38	-	5	98	240
39	Glasgow Stockholders	Gartmore (Scotland)	130	2.8	159	42	49	2	7	106	234
477	Globe	Electra House Group	173	6.9	265	66	21	7	6	97	199
239	Philip Hill	Philip Hill	164	6.5	243	69	26	-	5	97	231
6	Jos Holdings	Kleinwort Benson	92	4.7	102	65	32	3	-	105	240
6	Lancs & London (q)	Rea Brothers	97	4.2	137	71	29	-	-	73	†
20	London & Lennox	Gartmore	91	3.1	108	34	53	7	6	101	235
54	London & Lomond	Gartmore	92	3.3	118	42	52	4	2	115	235
24	London & Strathclyde	Gartmore	132	2.6	150	50	43	2	5	111	270
32	Meldrum	Gartmore	126	4.3	159	70	30	-	-	96	313
20	Moorside	Rivermoor	106	4.7	102	47	45	5	3	97	180
64	Nineteen Twenty-Eight	Philip Hill	143	5.2	170	49	46	-	5	96	215
112	Northern American	Independently managed	214	3.6	282	39	43	16	2	109	226
73	Outwich	Baring Brothers	87	3.9	128	55	23	12	10	111	214
59	Pentland		285	3.4	334	54	36	5	5	-	†
95	Raeburn	Lazard Brothers	224	5.2	336	51	33	10	6	98	216
59	River & Mercantile	Rivermoor	91	6.6	121	56	24	9	11	92	246
31	River Plate & General	Percy Tarbutt	157	5.5	199	68	18	1	13	102	225
22	Scottish & Mercantile (q)	Rea Brothers	267	4.1	402	68	32	-	-	109	†
16	Scottish Cities (q)	Rea Brothers	293	6.1	455	76	19	-	5	70	†
336	Scottish Mortgage	Baillie, Gifford	250	3.3	363	31	39□	24□	6	103	259
152	Scottish National	Gartmore (Scotland)	158	3.3	220	50	38	7	5	107	230
101	Scottish Northern	Paull & Williamsons	104	4.2	147	57	36	3	4	105	208
110	Second Alliance	Independently managed	382	4.0	557	38	48	8	6	97	242
109	Securities Trust of Scotland	Martin Currie	77	5.1	120	55	34	9	2	115	212
355	TR Industrial & General	Touche, Remnant	109	4.1	156	44	23	25	8	104	228
275	Witan	Henderson	103	3.1	158	47	29	15	9	105	253
30	Yeoman (q)	Independently managed	200	5.2	238	76	14	5	5	97	252
	United Kingdom										
8	City of Oxford	Hambros Bank	154	5.4	182	97	1	-	2	98	228
23	Fleming Claverhouse	Robert Fleming	168	5.9	229	98	2	-	-	99	262
21	New Court	N M Rothschild	303	6.2	395	96	1	2	1	106	†
4	Shires	Independently managed	168	10.0	166	96	-	-	2	77	154
74	TR City of London	Touche, Remnant	53ac	7.3	76ac	89	8	-	3	98	219
60	Temple Bar	Electra House Group	78	7.7	104	95	5	-	-	97	211
	CAPITAL GROWTH										
	General										
168	Anglo-American Securities	Morgan Grenfell	187	3.9	286	38	31	21	10	104	231
46	Ashdown	Schroder Wagg	306	3.2	419	47	36	9	8	91	238
5	Atlanta, Baltimore	Independently managed	125	1.3	143	67□	33	-	-	75	†
154	Atlantic Assets	Ivory & Sime	92	0.5	124	30□	66		4	88	381
110	Edinburgh Amer. Assets	Ivory & Sime	185	0.7	233	11	79	6	4	108	294
53	Electric & General	Henderson	208	2.0	286	46	40	11	3	100	276
42	General Funds (q)	City Financial	414	2.9	569	40	26	30	4	105	237
18	Greenfriar	Henderson	385	0.9	453	42	29	12	17	105	339
36	'Investing in Success' (q)	City Financial	390	1.9	516	37	21	39	3	108	217
119	Merchants	Kleinwort Benson	70	4.9	101	46	41	8	5	98	232
198	Scottish Eastern	Martin Currie	109	4.4	168	47	36	13	4	114	208
	International										
62	Berry	GT Management	258	1.0	294	39	30	19	12	124	296
52	Bishopsgate	Hambros Bank	134	3.7	191	51	39	8	2	113	230
86	English & New York	Kleinwort Benson	74	4.4	100	38	50	4	8	100	222
60	English & Scottish	Gartmore	110	2.6*	144	42	43	5	10	105	279
9	F & C Eurotrust	F & C Management	80	2.8	99	8	1	-	91	111	148
152	Fleming Overseas	Robert Fleming	236	4.2	342	18	41	25	16	91	221
21	Group Investors	Gartmore	211	2.3	268	34	55	9	2	108	312
97	Hambros	Hambros Bank	108	4.5	157	54	37	4	5	113	226
166	Investors Capital Trust	Independently managed	172	2.8	237	28	53	13	6	99	230
15	London & Gartmore	Gartmore	253	0.8	292	20	58	4	18	110	284
7	Mid Wynd International	Baillie, Gifford	102	2.5	128	14	37	30□	19	97	†
135	Monks	Baillie, Gifford	109	3.1	158	25	38	30	7	100	251
153	Murray Clydesdale	Murray Johnstone	66	3.0*	99	33	53	9	5	96	218
38	Murray Glendevon	Murray Johnstone	221	2.0	294	37	29□	21	13	107	221
58	Murray Northern	Murray Johnstone	114ac	2.5*	160ac	19	11	31□	39	106	203
167	Murray Western	Murray Johnstone	82	3.3*	124	28	57□	9	6	92	220
†	North Atlantic Securities	Morgan Grenfell	224	1.8	†	†	†	†	†	†	†
22	Northern Securities	GT Management	397	1.8	473	38	29	16	17	126	279
80	Romney	Lazard Brothers	184	3.4	269	29	39	22	10	100	232
256	Scottish Investment Trust	Independently managed	183	3.7	276	28	43	17	12	102	218
75	Trans-Oceanic	Schroder Wagg	134	2.7	181	32	57	7	4	94	239
54	Tribune	Baring Brothers	152	3.3	212	32	44	14	10	94	244
155	U.S. Debenture Corp.	GT Management	152	6.1	201	54	34	10	2	107	192
	North America										
107	American	Edinburgh Fund Mgrs.	91	3.7*	126	27	73	-	-	99	222
104	Fleming American	Robert Fleming	362	1.7	494	17a	82	-	1	82	218
17	Montagu Boston	Montagu Inv. Man.	105	1.7	123	11	89	-	-	85	†
126	Stockholders	John Govett	205	2.7	282	18	76	2	4	108	210
70	TR North America	Touche, Remnant	152	3.1	200	9	91	-	-	109	253
	Far East										
19	Drayton Far Eastern	Montagu Inv. Man.	79	1.5	106	4	-	72	24	95	†
135	Fleming Far Eastern	Robert Fleming	219	1.0	258	2	-	74	24	103	248
123	Lake View	John Govett	210	2.9	265	23	6	45	26	106	218
5	New Australia	Edinburgh Fund Mgrs.	81	2.2	94	-	-	-	100	112	†
30	TR Australia	Touche, Remnant	105	3.0	206	13	-	-	87	104	228
82	TR Pacific Basin	Touche, Remnant	182	1.6	224	8	3	76	13	102	219
	Japan										
20	Baillie Gifford Japan	Baillie, Gifford	180	0.1	199	-	-	100	-	92	†
41	Crescent Japan	Edinburgh Fund Mgrs.	594	0.4	608	-	-	100	-	97	254
122	Drayton Japan	Montagu Inv. Man.	292	1.5	350	2	4	90	4	101	†
70	Fleming Japanese	Robert Fleming	362	0.7*	412	3	2	94	1	112	235
46	GT Japan	GT Management	620	1.3	583	11□	3	54	2	108	266
	Japan (cont.)										
14	Japan Assets	Ivory & Sime	43	0.3	46		-	100	-	97	†
25	New Tokyo	Edinburgh Fund Mgrs.	227	0.0	252	-	-	100	-	94	†
	Commodities & Energy										
6	City & Foreign	Montagu Inv. Man.	105	1.4	144	3	97			93	†
10	New Darien	Hodgson Martin	59	0.6	87	10	75	-	12	107	†
31•	North Sea Assets (q)	Ivory & Sime	122	3.3	175	67□	33	-		96	†
14	Oil & Associated (q)	Independently managed	116	5.4	135	62	32	-	6	96	224
16	Precious Metals	J. Rothschild	105	0.7	133	10□	55	1	34	94	†
92	TR Natural Resources	Touche, Remnant	201	5.0	303	49	31	2	18	101	305
63	Viking Resources	Ivory & Sime	77	1.7	115	30□	68	-	2	107	253
13	Wemyss	Edinburgh Fund Mgrs.	472	6.1	579	40	31	-	29	90	186
23	Winterbottom Energy	Baillie, Gifford	57	1.6	88	4	92	-	4	105	161
	Technology										
69	Fleming Technology	Robert Fleming	121	2.5	174	41	39	18	2	100	246
93	Independent	Ivory & Sime	250	0.3	331	18□	76	-	6	90	†
232	TR Technology	Touche, Remnant	133	3.5	205	35	40	21	4	105	248
	INCOME GROWTH										
196	British Assets	Ivory & Sime	145	4.9	201	36	59	-	5	99	231
14	Lowland	Henderson	153	4.7	183	88	8	2	2	97	311
92	Murray Caledonian	Murray Johnstone	77	8.2*	95	70	14□	7	9	97	218
	SMALLER COMPANIES										
51	Alliance Investment	F & C Management	65	3.4	92	51	28	15	6	117	254
†	EDITH (q)	Investors in Industry	46	7.1		97	3□	-	-	63	†
27	English & International	Montagu Inv. Man.	189	4.5	239	56	31	7	6	104	217
5	Family	Kleinwort Benson	145	6.2	159	94	3	-	3	101	221
9	First Charlotte (q)	Ivory & Sime	12	0.5	11	79□	21	-	-	71	†
16	Fleming Fledgeling	Robert Fleming	100	3.2	121	74	22	3	1	102	322
28	General Scottish	Edinburgh Fund Mgrs.	108	4.1	137	49	36	15□	-	94	264
24	General Stockholders	John Govett	224	2.7	316	27	64	4	5	103	196
19	London Atlantic	Investors in Industry	126	6.0	163	66	17	-	17	89	212
14	London Prudential	Kleinwort Benson	175	4.5	217	63	24	8	5	92	234
11	Moorgate	Philip Hill	193	6.3	225	92	3	-	5	98	251
12	North British Canadian	Investors in Industry	132	6.0	171	87	4	-	9	107	225
29	Safeguard (q)	London & Yorkshire	139	6.1	175	100			-	98	207
36	St Andrew	Martin Currie	240	4.0	314	54	33	8	5	98	230
176	Scottish American	Stewart Fund Managers	182	3.7	261	41	49	5	5	119	246
128	TR Trustees Corp.	Touche, Remnant	88	5.2	136	64	27	3	6	105	225
85	Throgmorton	Throgmorton Inv. Man.	153	6.1	195	100	-	-	-	100	233
	SPECIAL FEATURES										
45	Ailsa	J. Rothschild	65	4.1	87	38	36	19	7	99	†
115	Drayton Consolidated	Montagu Inv. Man.	218	5.4	329	60	25	9	6	96	178
22•	Fleming Enterprise	Robert Fleming	155	6.6	221	100	-			92	237
212	Fleming Mercantile	Robert Fleming	81	4.9	131	44	34	9	13	101	245
13	GT Global Recovery	GT Management	88	5.7	111	30	36	24	10	110	†
58	General Investors	F & C Management	119	4.7	165	53	22	6	19	106	241
127•	London Trust	Rivermoor	67	8.0	102	65	23		12	101	176
345•	RIT and Northern	J. Rothschild	207	4.6	262	35□	36□	10□	19□	85	261
10	Stewart Enterprise	Stewart Fund Managers	37	1.5	53	31	50	10	9	123	†
59	TR Property	Touche, Remnant	100	4.0	130	74	13	3	10	97	190
17	Yorks & Lancs (q)	Stanecastle Assets	41	-	39	85	8	7		199	†
	SPLIT CAPITAL (x)										
16	Altifund	Gartmore	305	0.2	411	93	2	3	2	115	266
2	Child Health Research	GT Management	248	-	301	38□	21	31	10	105	†
26	City & Commercial	Montagu Inv. Man.	347	-	564	90	5	4	1	130	†
21	Dualvest	Montagu Inv. Man.	686	-	841	89	9	1	1	121	222
21	Fundinvest	Montagu Inv. Man.	179	-	269	87	7	4	2	121	223
2	Marine Adventure Sailing	GT Management	160	-	199	34□	29	30	7	96	†
†	New Throgmorton (1983)	Throgmorton Inv. Man.	21	-	†	†	†	†	†	†	†
8	Rosedimond	Hambros Bank	187	-	207	100□	-	-			151
20	Save & Prosper Linked	Save & Prosper Group	133	-	300	100	-	-	-	137	171
16	Throgmorton Sec'd Growth	Throgmorton Inv. Man.	184	-	283	100	-	-	-	-	159
57	Triplevest	Montagu Inv. Man.	402	-	718	85	11	3	1	125	†

NOTES TO THE TABLE

† No data.
* Applies to Ordinary/"A" Ordinary only.
a Does not include special dividend.
□ More than one quarter in non-equity investments.
(x) Capital shares.
• More than 20% in securities or other assets included at directors' valuation.
ac Adjusted for scrip issue.
ar Adjusted for rights issue.
(q) Published quarterly.

(a) Cols. 1, 4 to 6 Figures supplied by Wood Mackenzie & Co. members of The Stock Exchange. The figures in Cols 1 & 6 are simulated to date shown based on latest valuation supplied by the companies and made available to The Stock Exchange.

(b) Col. 11 The gearing factor indicates the percentage amount by which the net asset value per share would rise if the value of the equity assets increased by 100 per cent. Further explanation is given in the booklet 'More for your money'.

INDICES OF FIVE YEAR TOTAL RETURN

+ Investment Trust Average	236
F.T.-Actuaries All Share	240
* Standard & Poors Composite	180
* Tokyo New Share Exchange	126
* Capital International World	157

+ Excludes split capital.
* Adjusted for exchange rate changes.

Additional explanatory notes are available on request from The Secretary, The Association of Investment Trust Companies, FREEPOST, London EC2B 7JJ. Tel: 01-588 5347.

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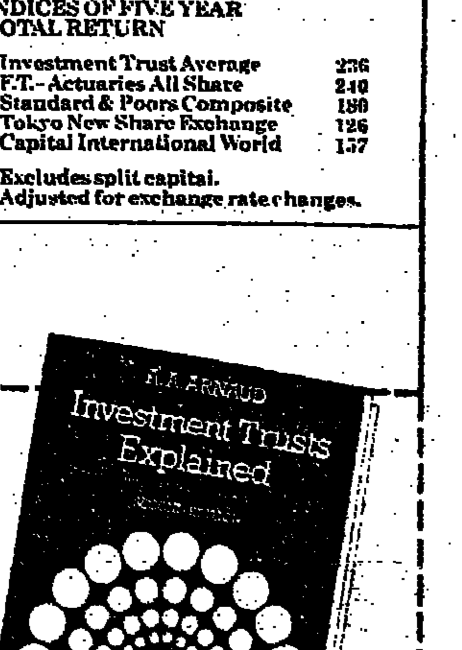


هكذا من الأصل

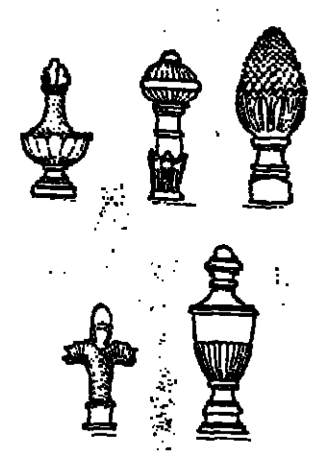
by Lucia van der Pos

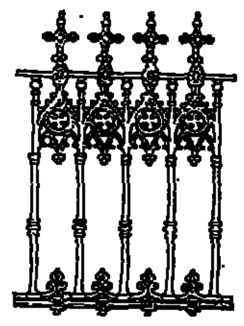
New life for old houses

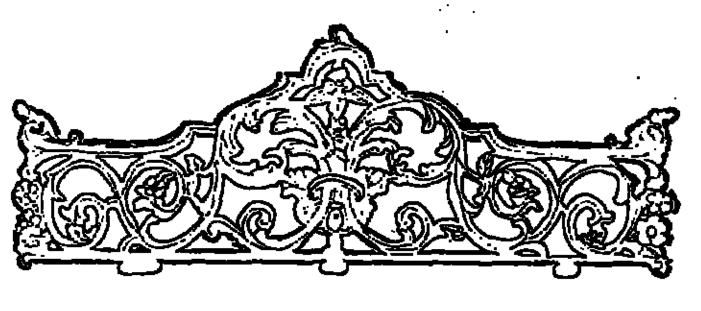
Britain is full of old houses that have suffered all the wear and tear that the years are prone to bring. Few have survived with all their original features intact—either they have been ravaged by the enthusiasms of the modernisers and the refurbishers or they have just been allowed to decay over the passing years.

Anybody who finds him or herself the proud new owner of a potentially beautiful old house and has the energy to set about restoring it to its former glory will find that there is a host of firms able and anxious to help.

In recent years there has been a growing awareness that too many of us throw away too thoughtlessly some of the most beautiful features of our architectural heritage and nowadays there is a growing group of companies whose sole raison d'être is to rescue these pieces from the hands of the demolitionists. This week's page lists just some of the companies where householders may go and search for the period features that their own house may lack, as well as some of the special services that they may be looking for.







BRITANNIA.- Architectural Metalwork and Restoration, 5 Normandy Street, Alton, Hampshire.

Britannia is the company to turn to if you need any kind of iron or metalwork done, no matter how complicated or decorative. If, for instance, you have some railing which is in a bad state of repair or you need extra rails or balustrades made, Britannia will either have the pattern available as part of its standard stock or else it is prepared to make a new pattern so that the original designs are matched exactly.

There is a vast range of standard traditional railings, balusters, brackets, gratings, mainly of Victorian and Georgian design, and for all those many owners of houses who find that part of the original gratings or brackets are missing, Britannia is the company to put that right.

The drawings on the left show just some of Britannia's standard designs — above are some of the range of finial tops for railings and below are (from top to bottom) a cast-iron bracket, ballustrading and a window-sill bracket.

The company also provides charming Victorian-style castings for propping up a verandah, decorative panels for gazebos and if none of the above-mentioned pieces are what you need, you can always try them with a special request. It does a great deal of work for architects and conservationists and is used to advising on the design and installation of railings, staircases and other more structural items.

Any reader wanting a brochure illustrating in charming line drawings the standard designs the company produces should write to Britannia at the address above.

THE LONDON ARCHITECTURAL SALVAGE & SUPPLY CO. Mark Street, London EC2.

In a redundant church close to the city lies one of the biggest collections of bits and pieces rescued from the hands of the demolishinionists and the modernisers. You need time and patience to wander round, to sort through the mounds of building materials, the ironwork and the statuary, if you're going to find just the very piece you're looking for.

The company, as the name implies, specialises in rescuing almost everything from bath taps to compete panelled rooms. What they have in stock at any given moment varies enormously. You can almost always be sure of finding certain staple items like doors of all sorts (at the moment the oldest door they have is one dating from about 1650 which is complete with hinges and hand-forged ironwork), flooring (either floorboards or in block or strip form), chimneypieces, baths (they've just sold a marvellous consignment from the Savoy dating from 1910 to 1940) panelling and balustrading.

You might go there for wrought-iron fencing or gates if you have a country garden that such things would enhance. Or you could look for some statuary, or a church pew (they seem to be very popular for putting in entrance halls or providing kitchen seating—at the moment they have all the pews from Chelmsford Cathedral in stock) or some good old wooden shutters. Doors range from £12 in price, you could have a fine pair of brass taps for anything from £18 upwards. Marble fire-surrounds start at £200, wooden ones at £60 and cast-iron ones at £60.

Much of what the company sells is very large-scale—currently they have a Roman beam pulled out of Billingsgate, as well as a series of lift-cars, staircases, panelled rooms and phone-boxes. You could find the complete fittings of an old pub or the entire panelling from an old library.

You have to go along in the spirit of adventure, prepared to search for what you need and if necessary be prepared to go along on several occasions.

If you live out of London and/or cannot spare the time to go along on the off-chance that you will find what you want, you can always telephone the company first (01-739 0448) or there is a printed list outlining the sort of stock they carry. The list is now somewhat out of date but a new one is currently being compiled and anybody wanting one should send a stamped addressed envelope to the company at the address given above. The warehouse is open six days a week, 9.30 am to 5.30 pm, Mondays to Fridays and 10 am to 4.30 pm on Saturdays.

Trevor Humphries

Adrian Amos of the London Architectural Salvage & Supply company with one of the baths and some taps that have been rescued from now demolished buildings.

GEO. JACKSON & SONS, Rathbone Works, Rainville Road, Hammersmith, London, W.6.

Founded way back in 1780 by no lesser personages than the Adams Brothers themselves Geo. Jackson & Sons is the company par excellence for those who want any kind of special plaster work done. Somewhere in the huge old workshops reside some 30,000 woodcut reverse moulds, several of them dating from the time of the famous brothers, some of later date, all of which are used to produce the authentic cornices, ceiling roses friezes, architraves, pilasters and plinths that are the hallmark of the company.

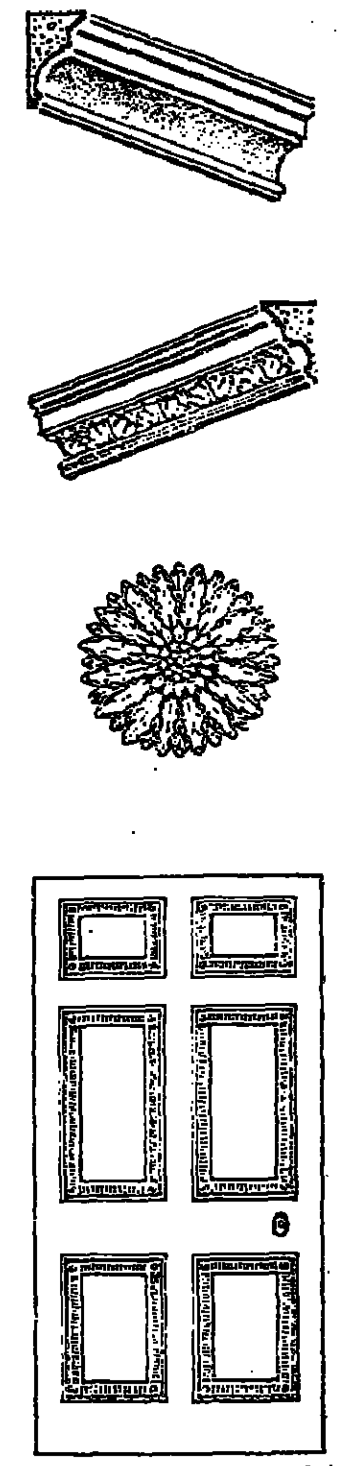
Whether the date of your house is 17th, 18th or 19th century, somewhere there will be the right mould for you. The staff are very knowledgeable and need only to be given dates and the proportions of the rooms for them to be able to advise on the right sort of cornice, the pattern that would be right for the period and the depth that would neither overwhelm nor yet be too insipid for the room.

If by any chance you have so rare a cornice or frieze that there is no mould existing and it needs restoration, the company will undertake to produce an exact copy.

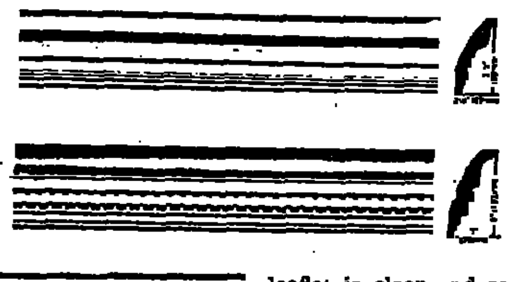
Besides selling and providing a large variety of plasterwork of this sort Geo. Jackson & Sons have the craftsmen to instal it—none of this comes cheap but if a perfect job is what you want then they are the firm to do it.

Though fibrous plaster is what Geo. Jackson is best known for, such is the reservoir of craftsmen in the company that there is a whole range of specialist interior jobs that can be tackled—there are joinery workshops for installing complete rooms of panelling or just repairing the ones already there. There are gilders, painters and polishers. In addition the company has expanded to offer the more usual interior design services of providing carpets and curtains and upholstery

Another service it offers is that it carries a stock of leaf gold which can mix on the site to match exactly the gold leaf on, say, a mirror that needs restoring. Similarly, the company will mix paints on site to make sure that any patching up or repair work matches the original colour exactly. ... ...



Sketched above is just some of the examples of the sort of work that Geo. Jackson & Sons can carry out. At the top are two examples of cornice work followed by a ceiling rose. The door illustrates the kind of traditional panelling that very often is required if a house is to be restored to its original glory.



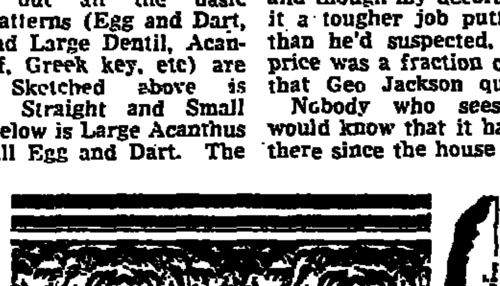
ARISTOCAST, Bold Street, Sheffield S9 2LR (tel 0742 448581).

While Geo Jackson & Sons are the master craftsmen in the world of fibrous plaster, anybody who finds they can't afford the exquisite craftsmanship or the special service they offer will be pleasantly surprised at the quality of the plasterwork that Aristocast supplies by mail order.

There is nothing like as big a choice of design as at Geo Jackson but all the basic classic patterns (Egg and Dart, Small and Large Dentil, Acanthus leaf, Greek key, etc) are there. Sketched above is Georgian Straight and Small Dentil, below is Large Acanthus and Small Egg and Dart. The leaflet is clear and self-explanatory with precise measurements of depths and widths accompanying every pattern. There is also, for those whose tastes run to such things, a selection of niches, panel mouldings, ceiling roses and centre-pieces, archways and fire surrounds. All are made from proper fibrous plaster.

I ordered some of the classic plaster cornice by telephone (for those who can get to it there is a showroom in Sheffield) and it arrived on the agreed date, at the agreed time and though my decorator found it a tougher job putting it up than he'd suspected, the total price was a fraction of the one that Geo Jackson quoted.

Nobody who sees it now would know that it hadn't been there since the house was built.

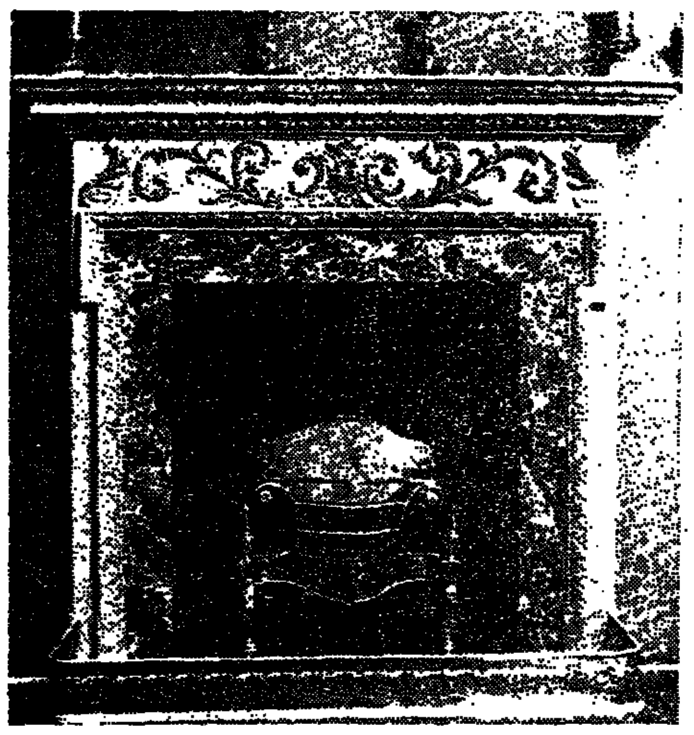


W. H. NEWSON, 61 Pimlico Road, London SW1.

Primarily timber merchants this company offers a standard range of reproduction period doors of all sorts but it is worth knowing that it will offer advice to anybody who has a period house and needs a special sort of door made to order. It will take on special orders and can offer to make architraves and wooden mouldings, as well as wooden sash windows and bow windows.

ALBION DESIGN, 12, Flitcroft Street, London WC2.

Once upon a time this company used to offer to reproduce any form of traditional ironwork but nowadays it just specialises in a small range of reproduction Victorian spiral staircases—very pretty they are, too, and anybody who needs one will find that Albion are experts in the matter.



A carved pine fire surround

THORNHILL GALLERIES, 78, Deodar Road, London SW15.

This is another of the companies that specialises in rescuing period pieces from old houses all over Europe. Thornhill Galleries is the place to search for panelling of all sorts (it is garnered from buildings all over Europe, including Belgium, Spain and Italy). The galleries adapt it, restore it, and are prepared then to intal it. It also holds one of the largest stocks in Europe of French and English marble chimney-pieces, as well as pine or oak wood ones.

The galleries have their own cabinet-makers and wood-carvers so that they can also make a chimney-piece to order if you can't find exactly what you want in stock. Almost anything in wood or marble can be restored by one of the galleries' craftsmen.

Go there, too, for mirrors, picture-frames and a selection of wall-lights — most are genuine antiques, but a few are new but of a design that could be described as being in a "traditional vein."

GODDARD & GIBBS, 41/49, Kingsland Road, London E2.

This company is the stained glass specialist—it will either sell you an original antique window or repair an existing old one. It has a vast stock of glass of all sorts, some of it dating back to Victorian times so there is very little it can't either match up or repair so that it is just like the original. Sometimes it has been asked to repair or even remake from scratch coats-of-arms that have been destroyed—this is done sometimes from small remaining fragments sometimes from photographs or drawings, so that it looks almost indistinguishable from the original.

The company also specialises in leaded lights and can put handmade (or more precisely mouth-blown) glass back into any sort of frame, whether it be stonework, metal or wood. It can also replace broken parts of windows, either overhauling them or replacing them depending upon the condition so that they fit in with the rest of the house.

CROWTHER OF SYON LODGE, BUSCH CORNER, LONDON ROAD, ISLEWORTH, MIDDX.

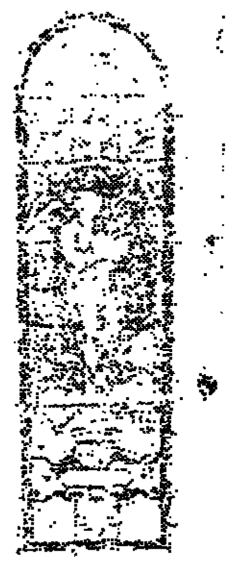
Another company to specialise in genuine old architectural pieces and garden pieces, grand or small. It offers to restor garden ornaments, replace or match up missing parts of marble fireplaces.

ARCHITECTURAL HERITAGE OF CHELTENHAM, Boddington Manor, Boddington, near Cheltenham, Gloucestershire.

Down in Gloucestershire in the stables of Boddington Manor lies another treasure house overflowing with original period pieces rescued from old buildings up and down the country. Here the would-be restorer of a period house will find things like doors, oak joists, beams, carved oak and stone fire surrounds, Victorian and Edwardian bathroom fittings, including decorated loos, hand-wash basins and baths with ball and claw feet.

It is a marvellous place for those with grand gardens, or even for those who just have small town patios that could do with a bit of livening up. There are original 17th and 19th century garden statues, ornaments of all sorts from giant urns to elaborate pieces of statuary.

Now that it isn't always possible to be sure of finding original Victorian-style bathroom fittings, Architectural Heritage has also started to sell its own exact replicas of Victorian loos, handbasins and matching accessories. In a highly decorative blue and white Delft pattern, the loos are £315, the basin and its cast-iron stand is £325, whilst the "Heritage" matching accessory set of Victorian-style jug and basin, soap dish, tooth brush mug and chamber pot is £70. Brass taps are about £45, brass wastes with plug and chain are £15 and plain mahogany loo seats are £65.



Readers who want to be given some idea of what Architectural Heritage sells should send a stamped addressed envelope to the above address and they will be sent a brochure of representative samples, as well as a leaflet with photographs and detailed prices of the Victorian copies of the bathroom fittings.

Architectural Heritage prefers readers to make appointments if it is possible, but they are open from Monday to Friday from 10 am to 6 pm and on Saturdays from 10 am to 4 pm. Tell: 024268 741.

The answer to the slug crawl

GARDENING

ARTHUR HELLYER

MANY gardeners appear to be having unusual trouble with slugs at the moment. This seems strange after so dry a summer which I would have thought would have reduced the slug and snail population. But my plants have also been suffering and all the young leaves of a hippeastrum were halved in a night, something I do not recollect ever having seen before.

One way of countering the attack is to make use of slug pellets. These are usually made of compressed bran or something of the kind impregnated with metaldehyde which, when eaten by slugs or snails, immobilises them and eventually dehydrates them so much that they shrivel up and die. Because it works in this way metaldehyde is most effective when the weather is dry. If there is a lot of moisture in the soil and on plants the intended victims may recover and then an alternative method must be used.

One possibility is to use pellets of methiocarb which is a straightforward slug poison the effect of which is unaffected by the weather or the amount of moisture about. It is more expensive than metaldehyde but it is not necessary to use a lot and it does do its job.

Both these chemicals are poisonous to other creatures and must be kept out of reach of pets and children and, if possible, birds. Yet another alternative is to buy metaldehyde as a liquid formulation to be diluted with water and then applied from a watering can fitted with a fine rose to any plants that may be attacked by slugs or are likely to be sheltering them. It is harmless to plants but edible crops treated with it should not be harvested for at least a week and even then it would be wise to wash them well.

There are other methods of killing slugs and snails which do not involve chemicals of any kind. One is the very simple one of laying cabbage or lettuce leaves on the surface of the soil and examining them daily for any slugs or snails that may be hiding under them or feeding on them. The most effective time is after dark with the aid of an electric torch and very good catches can be made though it is unlikely that trapping of this kind will make a clean sweep as metaldehyde and methiocarb undoubtedly can.

More effective is the use of beer as the bait. Slugs and snails are powerfully attracted by this and will crawl considerable distances to drink it. If it is placed in a container that can be sunk level with the soil they will fall into it and drown.

One ingenious manufacturer has cashed in on this idea by making what he describes as a slug pub. It is a sturdy plastic dish about 4 in. across and 2in. deep into which a perforated tray fits snugly. This has a central stem on to which a mushroom shaped lid can be fitted, held half an inch above the rim of the dish and large enough to overlap it a little an exclude all rain.

When beer has been poured into the dish and tray and lid placed in position the red stem of a float rises above the lid to indicate the depth of the beer pool. The dish is sunk to its rim in the soil and once a day the perforated tray is lifted out with its catch of slugs and snails. One charge of beer can last several days but it is wise not to leave it so long that it begins to stink. Slug pubs appear to be stocked by most garden centres and they are quite safe to use as neither cats, dogs or birds can get at the beer in them.

Slugs and snails are not the only pests that appear to be thriving. Judging by the number of crane flies or daddy-long-legs floundering around the garden and house this must have been a grand year for leatherjackets, the grubs from which they have developed. Crane flies do no direct damage to anything but they mate and then lay eggs which will produce another generation of leatherjackets and I know of no more voracious plant eaters than these.

They live throughout in the soil and so often pass undetected despite the damage they do. They live on roots and other underground parts of plants sometimes killing them outright, at others, merely retarding their growth. Lawns suffer badly because leatherjackets love grass roots better than almost anything else. In winter and spring the damage they do may not be noticed but come the summer and a dry spell and the places where the leatherjackets have been feeding will immediately be revealed by turning brown.

If there is any doubt try the effect of leaving a hose running for 10 minutes or so over a bad patch and then laying a sheet of polythene over the soaked turf. Water and polythene combined will deprive the leatherjackets of air and the following morning, if the sheet is lifted, they will be found lying on the surface. This is also quite an effective, though rather laborious, method of treatment since the exposed leatherjackets can be swept up and destroyed. A more direct attack can be launched by watering the bad patches with HCH insecticide. Methiocarb pellets used to kill slugs may also kill leatherjackets and other chemicals available are bromophos powder and diazinon granules raked or forked into the uppermost two or three inches of soil at the rate advised by the manufacturer.

Leatherjackets look rather like repulsive grey caterpillars but close inspection will reveal that they are legless, indicating that they are fly larvae not the larvae of moths or butterflies. They have very tough skins, hence the name of leatherjacket.

The most universal disease of autumn is grey mould or botrytis which manifests itself in many ways but always finishes up by producing the fluffy grey outgrowth which gives it its name. It is difficult to think of any plant that it will not attack but it is particularly deadly to pelargoniums, chrysanthemums, especially the expanding flowers, lettuces, the seed heads of annual sunflowers and the soft late growth of roses which it rings with dark patches that eventually circle the stem, check the flow of sap and so cause the stem to die back. Die back is, in fact, the name that rose growers give to this troublesome winter disease to which some varieties are more susceptible than others.

Grey mould thrives when the air is cool and moist. Under glass it can be checked by using artificial heat to raise the temperature (about 55F seems to be the critical level) and dry the air. Most fungicides are ineffective against grey mould but spraying with benomyl (Benlate) or thiophanate-methyl (Murphy Systemic Fungicide) will give some control. All affected growth should be cut and burned.

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Where the old flotilla lays

BY RAYMOND HUGHES

BRITISH companies offering yacht flotilla sailing holidays in the Greek islands are becoming increasingly disenchanted with the attitude of the Greek authorities and are looking to other Mediterranean countries for any expansion of their operations.

On a flotilla holiday, a yacht is chartered, and then joins a number of others governed by "a mother ship."

The latest demand made on the marine tour operators is that they take into Greece a fixed amount of money to cover their operational expenses there.

The operators contend that the amount involved—between \$56 and \$64 per day for a 28 ft yacht—is far more than is needed and, because any excess cannot be taken out of the country, reduces to a potentially crippling level the money they have to meet their major expenditure outside Greece.

Mr Peter Nealon, general manager of Flotilla Sailing, which has 82 yachts in Greece, sees the introduction of a "minimum daily charter rate" as an attempt to drive the, mainly British, flotillas out of Greek waters.

His view, shared by Mr Eric Richardson of the Yacht Cruising Association, the pioneer of flotilla holidays, is that the new demand has been prompted by Greek yacht charterers with an eye on the benefits that would accrue to them if the British were forced out.

The Greek operators, it is thought, have fostered the belief that considerable sums of foreign exchange have in the past been withheld from Greece by the flotilla companies who, it is alleged, have been "exploiting" Greece.

The British operators deny the charge and point to the substantial amounts of foreign exchange their activities have generated.

In 1982 yacht chartering in Greece was worth \$5.5m — a third of which came from the flotilla companies, whose contribution was more than doubled by the money spent ashore

None of the major UK operators is admitting to any plans to pull out of Greece, but almost all say that Greece is not included in their future expansion plans.

The principal beneficiaries are likely to be Turkey and Yugoslavia.

A straw in the wind may be the decision of the YCA, which already operates in Turkey and Yugoslavia, while retaining 60 yachts in Greece, to winter its Greek fleet in Turkey.

In the past those craft have been laid up and refitted in their Greek island bases, but at the end of this season volunteer crews will sail them all to Marmaris in south west Turkey.

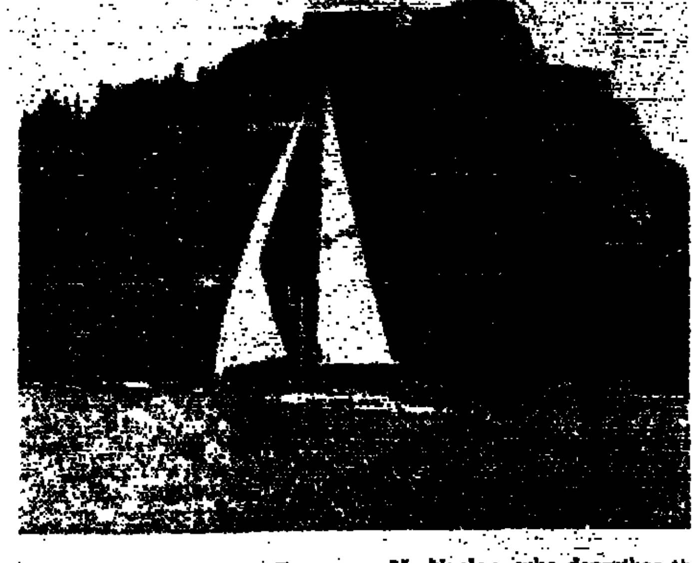
Mr Richardson denies that this is the first step in an eventual pull-out from Greece. It has been prompted, he says, by difficulties in getting spare parts and other equipment into Greece and in getting work permits for specialist staff from the UK.

The Greeks, however, could be forgiven for seeing it as an attempt to concentrate their minds on the effect on their hard currency from tourism if the British flotillas leave for good.

The YCA's relations with the Greeks have been strained since, earlier this year, eight yachts and a substantial amount of equipment were impounded, and their skippers jailed in Corfu, for an alleged attempt — strongly denied by the company — to evade customs duty on the gear the boats were bringing in.

The skippers were released after a week, when the YCA provided a £189,000 bank guarantee, but the yachts have remained impounded pending a court hearing in Corfu in December.

Mr Richardson sees the central problem for the flotillas as the Greeks' failure to differentiate between yacht chartering and marine tour operating. The former, he says, is Greek-based, earns much larger sums, but only for a limited season, and with almost all expenditure incurred in Greece. The flotilla companies, offering two-week palkage holidays for seven months of the year, are based outside Greece and have relatively small operating costs there, the bulk of their expenditure, on the purchase of boats, air fares for customers, marketing, publicity, insurance and general administration, being incurred in the UK.



Mr Nealon, who describes the minimum daily charter rate figure as "arbitrary," has little doubt that it will cause some of the smaller flotilla companies to go to the wall.

Mr Chris Clode, of Island Sailing, which has 66 yachts in three Greek sailing areas, takes a similar view. Even some of the stronger companies could find the situation in Greece untenable, he says, adding that, although Island Sailing is not planning to leave Greek waters, it is, in common with other operators, looking elsewhere for expansion.

A plain man's guide

I SPENT four of the most formative years of my life in what used to be called the Great Open Spaces. The rolling hills of New Zealand's sheep country and the flat plains of the Argentine. The experience gave me an abiding love of landscapes, uncluttered as much as possible, by the works of man. The land stretched more or less featureless to the horizon and I seemed to be walking or riding across the base of an inverted goldfish bowl which sealed me in on every side.

Others have had the same experience, including a one-time neighbour, who told me of a desert in Texas where he was working where on stopping to rest he definitely heard the friction of the earth's atmosphere going round against the inner limits of space. Although I have tried to hear the same phenomenon without success, it does not prove it to be impossible. After all what were "The music of the Spheres?"

Since those early days I have seen many of the great plains of the world, in Europe, Asia, Africa and elsewhere. They have never failed to excite me. Some people get the same thrill from the sea, but I never did, although I made a number of long voyages. In a ship, unless you are a single-handed sailor, you are surrounded by a small society of individuals with whom you have nothing at all in common and cannot escape from unless driven to suicide. On land you can always walk away.

Except for parts of East Anglia we are rather short of plains in Britain, but I can recapture my past sensations of absolute freedom among the northern Scottish hills. I don't mean the mountains, which are invaded at almost all times of the year, by determined extroverts in coloured clothing, pitting themselves against the elements in a sometimes suicidal challenge. They are as out of place as a dark satanic mill in Constable country.

But the Scottish hills are not what they were. Except in the far North West, huge areas have been handed over to the tree planters. They have not recreated the original Caledonian forest which consisted, I understand, of mixed woodlands of decidous trees with a few Scots fir thrown in. The Scottish pine is the only conifer that will regenerate naturally in Britain.

These imported conifers desecrate the landscape, first by being planted on an upturned furrow which scars the scene, then the growing trees look like a developing case of five o'clock shadow. As they mature into their funeral dark green they fill the view with nothing else, and on felling leave a debris strewn chaos, rather like the Somme battle field in the first world war. It is not an exercise that can be justified in economic terms. Due to some absurdity, of which I have never heard a worthwhile explanation, the main market for conifers is to Scandinavia, from which the products are re-exported here.

Fortunately by the time you get north of Ullapool trees do not seem to grow, and I can recapture the tremendous sensations of ultimate space in seeing no works of man in any direction. There are, it is true, odd spots of scarlet on some of the eroding mountains which climbers have discovered.

One gets the best of the seascapes too, for on a small island the sea is always near at hand, but here there is a blemish. These western fringes were the last refuge of the victims of the clearances, when the Highlanders were driven out by sheep farmers from the south. They eked out a living on the coast until their numbers were thinned by death or emigration. Most of them have gone, as have their original thatched hovels. But under the Crofting Acts, by which some amends for past inhumanity were made, a great deal of new housing was built between the wars. Singularly ugly houses too and often used as weekend or retirement homes as the crofts are hardly worked today.

At one time these places were serviced by sea and would probably have died out altogether even as holiday places, had it not been for a considerable extension of roads and now electricity. This has had some anachronistic results. At Achiltibue, 15 miles down a single track road of extraordinary beauty, one comes in sight of the summer Isles set apart by a sea which reflects the sky and every passing cloud. Well worth the drive. But the best view has to be strategically planned. The village street is lined with lamps, modern sodium bulbs on metal posts and shining full on a summer day.

In order to derive most satisfaction from the scenery I had to leave the village and the works of man behind me to get a clear uncluttered view.

John Charrington

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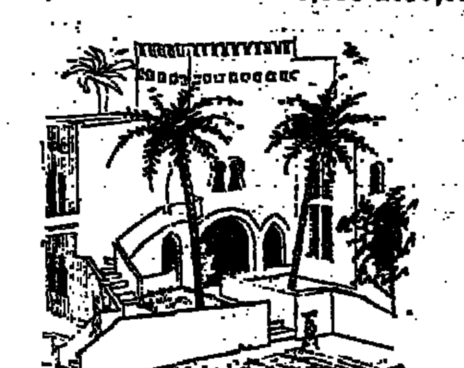

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Costs, cottages and castles

BY JUNE FIELD

WHY SHOULD a three-bedroom thatched cottage in the Hampshire countryside set you back at least £65,000, while a vast 30-room castle in Scotland in 80 acres was on offer recently at £70,000?

Location and accessibility is all. The cottage was only three miles from the M3, with good access to London and Southampton, the castle deep in the Highlands.

There are quite wide variations in property values up and down the country, and charts of prices, although a help, give no indication to the condition of a house, whether it is £5,000 or £50,000-plus. And the property market is still somewhat volatile. Those who need to sell are prepared to take offers, and those who can afford to hang on, stick out for what they want, sometimes against their agent's advice.

As for would-be buyers, a lot of people have not yet woken up to the fact that money is available, insists Peter Burrell, of Whiteheads, a 30-office firm which went public quietly the other week and is now Whiteheads Property Services. Mr Burrell, who runs their office in South Street, Chichester, Sussex, says business is beginning to pick up, but prices are static.

A price index published jointly by Fox and Sons' office in Cathedral Yard, Exeter, and Exeter University claims to have certain advantages over other published statistics of house prices.

On the same day, two houses may be sold, one at four times the price of the other. But, they ask, were the homes detached or terraced, what was the state of repair, did the domestic circumstances of the buyer and seller affect the sale?

All these things, plus location and the amount of land or garden must be regarded as potentially relevant to the price of a property. "A problem of changing quality" is how the lengthy survey sums up price indices.

Perhaps its most pertinent point is that there are some things which cannot be measured—such as the bargaining skill displayed by the parties to each transaction. Serious inquiries to Barry Taylor at Fox's Exeter office 0392 (51571).

"Our figures are only for guidance," George Calvert insists. He produces a quarterly Residential Property Price Index for Mann Countryside, association of 550 estate agents around the United Kingdom.

"We ask members to select from the average of the average—that is, to ignore the £200,000-plus luxury property as well as the under £10,000 cottage with one wall falling down."

Their aim is to give personnel managers from big companies, as well as their staff, some idea of basic house prices in 240 towns, taking in Accrington to Aberdeen, Pinner to Portsmouth.

The report records that terraced houses can still be bought for under £12,000 in Staffordshire—Burton and Leek. Moving south to Worthing and Bognor Regis, Sussex, £25,000 and £31,000 may sound rather high averages for simple back-from-the-sea terraces, but the term "terrace house" can be misleading.

The more sophisticated many-storied rows of houses in London's Hampstead and Hammersmith, for example, soar to £95,000 and £150,000.

A free copy of the price index folder can be obtained from Mr Calvert, Mann Countrywide, 22, Commercial Way, Woking, Surrey. It does not list any agents, but information on relocation services in the UK, U.S. and Canada can be supplied.

"Social environment and acceptability of an area can be extremely important to some sectors of society," says Richard Field, director of marketing at Savills whose latest *Property Magazine* (over 130 houses spread over 80 pages with a run of 15,000), was publishing this week. (Free copy from Mr Field, Savills, 20 Grosvenor Hill, London W1).

"The style of property also has an influence on value in the higher bracket.

"Really well-kept country houses that are manageable in size yet with plenty of room for a family to spread themselves are the most in demand in good county areas."

Paul Jackson in Lymington, Hampshire, always ready with projections on the market, has been encouraged by the activity generally in property. Over the last nine months more houses have been sold in the New Forest area than at any corresponding time over the past 10 years, he reports. Though he is optimistic, he says there is no property boom yet.

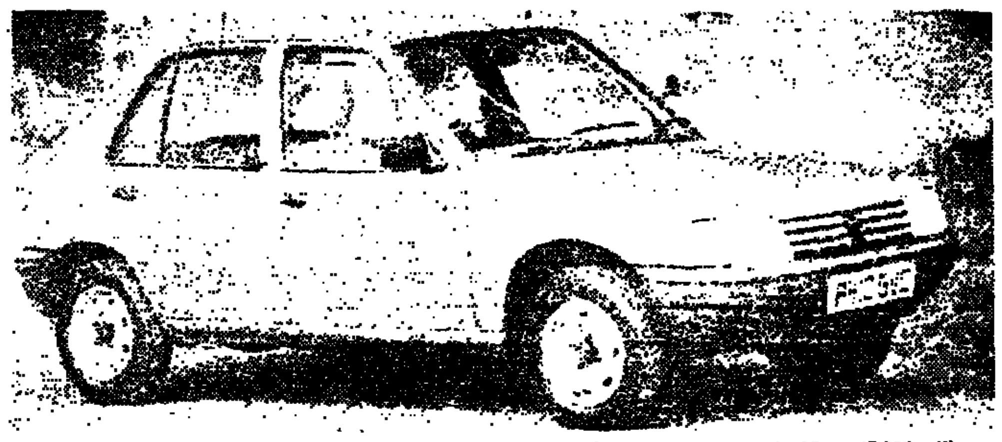
Some of Jackson & Jackson's crop of attractive thatched homes are featured in their latest *Country Properties* folder from The House on the Quay, Lymington.

The 300-year-old Home Orchard, in an acre at West Wellow, on the northern border of the New Forest, £67,500, and needs modernisation.

Closer to Lymington on the edge of the Forest near Sway, on the main line to Waterloo, is Plumtree Cottage, a renovated family home for sale at offers in the region of £115,000.

William Edwards, former MP for Merioneth, is selling his five-bedroom, two-bathroom country house Bryniau, overlooking Bala Lake, Gwynned. Believed to have been built about 1850 as a summer house for the Williams Wynne family, a snooker room was added about 1890. There is also a self-contained flat and a ½-acre paddock. Offers in the region of £97,500 are being sought by R. W. Phillips, R. Wyn Phillips & Co., 21 Chester Street, Wrexham, Clwyd, and J. P. N. Major, Strutt & Parker Leaches & Bickerton, 19 Grosvenor Street, Chester CH1 2DD

Classic Edwardian "Tarrant" built 5 bedroom home plus 4 bedroom flat is in ½ acre on the fringes of St Georges Hill, Weybridge, Surrey. The main part of the house has a first floor beamed and galleried landing, and by the kitchen is a brick-built barbecue. Price £245,000 freehold through Tim Puge-Ratcliff, Mann & Co. Country House Department, 7/9 Baker Street, Weybridge, Surrey



Peugeot's 205, which went on sale in Britain this week at prices ranging from £3,895 to £5,395. There a choice of five engines, including a 1·8-litre diesel

Which car of the year?

BY STUART MARSHALL

THE MOTOR show season is over. This year's stream of new models has dried up. Time, one would think, for the marketing directors, the advertising and PR chiefs of Europe's car makers to take well deserved breaks in their Mediterranean villas and contemplate next year's promotional triumphs while soaking up a little late sun.

Worried frowns, alas, crease their brows as they pace their offices in Wolfsburg and Stuttgart, Paris, Birmingham and Turin. Could we, they ask themselves, have done anything more to ensure that we win the Car of the Year 1984 Award?

The award (CoTY for short) creates a ferment of anxiety out of all proportion to its commercial value. Of course, winning CoTY is a marvellous publicity bonus at no cost—but does it sell cars? The evidence is inconclusive, but I doubt that it has much effect except in the short term.

The Rover 3500, Chrysler (now Talbot) Horizon and Lancia Delta were all Cars of the Year in their time. None has been exactly a runaway success commercially.

Whereas cars like the Opel Kadet (Vauxhall Astra) and our own Metro have fulfilled their makers' hopes in spite of missing the coveted award. If a car is good value and offers the market what it wants, it will do well.

Nevertheless, manufacturers go to endless trouble to "sell" their cars to the 50-plus men and women on the jury of European motoring journalists whose votes decide the winner. I am not among them which allows me to speculate on the result.

This year is a complete contrast to some when there have been so few entries that it was a two-horse race. The 15 cars on which the jury is now voting in secret are Alfa 33, Austin Maestro, BMW Series 3, Citroen BX, Daihatsu Charade, Fiat Uno, Honda Prelude, Mazda 626, Mercedes 190, Nissan Micra, Opel Corsa (Vauxhall Nova), Peugeot 205, Toyota Camry and Corolla and the VW Golf.

New models not eligible because they haven't sold in sufficient numbers or are not different enough from the previous car include the Audi 200; Fiat Regata; Ford Orion and Lancia Prisma — all booted developments of hatchbacks; Honda's new Civics; Jaguar XJ-S; Nissan's Prairie and the Renault 11.

A Japanese car has never been in the first three of the CoTY line-up so the Daihatsu Charade, Honda Prelude, Mazda 626, Nissan Micra and the two Toyotas can be excluded straight away. Having said that, I reckon the Mazda might be a dark horse, worth a bob or two at long odds for a place.

I must rule out, however regretfully, the Maestro which is a striking advance for Austin Rover but hardly an international champion, with its aged engines and bought-in Volkswagen transmissions.

The Alfa 33 stands little chance, either. It's pretty, but under the sheet metal an updated Alfasud. The BMW 3-Series' ultra-conservative styling is a drawback not to be overcome by its high quality and intelligent use of electronics.

So we have six cars competing strongly for the award. The Citroen BX breaks new ground with a part plastic be[...] over its self-levelling hyd[...] pneumatic suspension. Fi[...] Uno is successor to the Fiat [...] a long-standing best-seller a[...] former Car of the Year.

The Uno does everything w[...] It has an excellent ride, a roo[...] and comfortable interior, mechanically refined, wi[...] cheating and economical. But looks functional rather th[...] elegant.

The lightweight Merced[...] Benz 190 is their smallest [...] for 30 years but feels like [...] traditional Mercedes, [...] unmatched handling and ro[...] holding in its class and exuc[...] good engineering. Opel's Co[...] is an outstanding super-m[...] saloon or hatchback.

Peugeot's 205, petrol or die[...] powered, is their most inno[...]tive car in years, a 5-door hat[...]back reflecting Gallic charm [...] well as advanced technolo[...] And VW's new Golf is ever[...]thing that the original Golf h[...] been only more so. It is large[...] faster, quieter, roomier insi[...] lighter and more economical.

Any of these six cars cou[...] be the winner and would w[...] deserve the award. But if [...] had to list the order in whi[...] they pass the post, I would p[...] it thus: Peugeot 205 first, fo[...]lowed by the new VW Go[...] which will have the Fiat U[...] hard on its heels. Fourth wi[...] be the Mercedes 190, fifth t[...] Citroen BX, sixth the Op[...] Corsa. The Maestro will com[...] seventh.

There won't be many vot[...] between them. I think it w[...] be the closest as well as t[...] biggest Car of the Year conte[...] for many years, but I won[...] know whether I'm right un[...] late December.

No one can tax your happiness.

Our Shareholders

Over 170 individuals and Companies throughout the world have become Shareholders in Court Barton Property PLC as it enters its final phase. Company Directors, Lawyers, Accountants, Bankers, Stockbrokers, Doctors, numerous other professionals, Farmers, Officers, Ladies and Gentlemen all feature as shareholders in this successful, small and compatible development.

Harpers

September 1983

Devon's heaven

Court Barton, at South Huish near Kingsbridge in Devon, is the most sensible set-up I have seen and is foolproof. It is a small development of thirteen cottages beautifully converted from huge farm barns.

. . . This is a practical investment, likely to make more for the shareholders than the same money left in a building society account and with the extra of a week's annual holiday at the very reasonable management charge of £65 a week.

Michael Groom and Bernard Pratt are the two directors of Court Barton. Their incentive for ensuring long-term good management is that they have retained 104 shares in the company and stand to make more long-term capital gain (or loss) than anyone else.

. . . a most attractive place to watch a modest investment grow.

Caroline Silver
Property Editor

The Daily Telegraph

March 23, 1983

A share in a Devon holiday cottage

One development which has appealed to the more cautious and business-minded investors has been Court Barton in the Hamlet of South Huish, midway between Salcombe and Thurlestone in Devon.

. . . What seems to have appealed to buyers so far is the structure of the company, by which investors buy an actual share in the freehold of the property. At the end of 24 years, the company will be wound-up and the assets distributed among the shareholders.

But what sort of a place is this to spend a holiday? Judging from the great ages of the deceased on the gravestones in the redundant St Andrew's church nearby, it is certainly a healthy place. The coast scenery is spectacular, while sailing at Salcombe in the Kingsbridge Estuary is as challenging as you want it to be. Sea bathing is only a mile's walk distant, past farms and cottages. There are also arrangements for shooting at a nearby woodland.

David Hoppit

COURT BARTON Property PLC,

between Salcombe and Thurlestone, South Devon

The Dividends

- Holidays at the time of your choice which you may spend at Court Barton or easily exchange and go to say Barbados or the French Alps (subject to RCI conditions).
- An investment in U.K. freehold property, through a U.K. Public Limited Company with potential long term growth.
- Potential 250 bird Shoots for Company use.
- A Corporate investment provides a bonus and holidays for directors.

The Investment

Thirteen beautifully converted cottages in a peaceful valley of Outstanding Natural Beauty close to the beach and golf with private restaurant/bar, sauna/solarium, stables/dressage arena, tennis court, outdoor and indoor swimming pools, private fishery and shooting all administered by a responsible Management Company on site owned and controlled by the Shareholders.

For copies of the Prospectus, on the basis of which alone Applications will be accepted, please contact:

Court Barton Developments Ltd, South Huish, Kingsbridge, Devon TQ7 3EH Tel: 0548-561919 or 561910 Telex: 42792 Rocoma G

Taylor Garrett, Solicitors, St. Michaels Rectory, Cornhill, London EC3V 9DV

Please send me a copy of the Court Barton Property PLC Prospectus

Name: ____________________

Address: ____________________

____________________ Tel: __________

To: The Secretary, Court Barton Property PLC, South Huish, Kingsbridge, Devon TQ7 3EH

All 4 change

For the second week running :an report a long. important ogramme on Radio 4. Is this a 'etaste of the changes to be de by David Hatch. the new ntroller? Mr Hatch is keen "seamless" presentation; arting in the New Year, he is offer us three-hour seamless ogrammes on Thursday morn- ;s in which the normal gredients of morning radio ll be incorporated in a con- uous stretch with a "host," ie, presenter. The object is to stop teners from switching off ien the theme-tunes signal the d of individual programmes: e host's golden voice will lure em on from *Daily Service* to *orning Story* to *You and Yours* their new guise. These pro- ammes are called "roller- asters" at BH. I can only ay that the word will be lopped before it graduates to e Radio Times.

RADIO

B. A. YOUNG

Tuesday's 90-minute *A Ques- on of Confidence* was seamless l right, and I never felt an rge to switch off. It concerned ie new Police Bill, and we had e Chief Commissioner, Profes- or John Brown and a selection the public exercising their ishionable right to "phone in" efore the climactic voices of ouglas Hurd for the Govern- ent and Roy Hattersley for the pposition.

It was an excellent pro- ramme; but who was listening etween 9 am and 10.30? Veren't the serious public lready at their desks and their ounters and their steering- heels? And shouldn't there ave been an early repetition?

One conclusion I reached, not or the first time, is that honers-in should work harder t preparing their questions, and roducers (John Getwood on his occasion) should be jolly trict with them before allow- ng them on the air. Too often. hey just repeat what they've een telling each other in the aloon bar or the supermarket, dding nothing to argument.

Only two of them in this rogramme were really worth heir time. One was a young voman from East London who aised the matter of access to awyers by arrested citizens, a uestion that had been rather skated over. The other was a Leicester policeman, who was allowed to go on talking for a long time, and who to my mind talked more sense, and better, than anyone else in the whole programme. Brian Redhead was the able chairman of this programme.

Back to the Radio 4 variations, the changes in the evening pro- grammes seem to me hardly enough. To put *Kaleidoscope* 15 minutes later still means that there's little opportunity for reviews of theatre first nights, and as *Today* resolutely declines to include an art com- ponent, despite the fact that every reputable newspaper devotes a whole page to arts coverage, criticism is still a bit hit-or-miss. Extending *The World Tonight* by an extra half-hour is a good thing for people like me, who live on news. The earlier time for *A Book at Bedtime* makes sense; London folk don't realise how early country folk go to bed, and 10.15 pm seems reasonable. Delaying *Week Ending* a bit on Fridays won't do any harm: this is only what I call a time- stuffer. *The Financial World Tonight* is to be incorporated into a seamless *The World Tonight* at 11.05 pm.

An interesting piece, the first of three, was Radio 4's *Bim- bashi MacPherson* on Sunday. Joseph MacPherson went to Egypt in 1901 as a teacher, and stayed there, or thereabouts, for 45 years, becoming a soldier and ultimately the chief of secret police in Cairo. By good fortune, he was a prolific letter-writer, and Alec McCowen read his correspondence to us while John Rowe read the narrative organised around it by Barry Carman.

The producer couldn't resist introducing sound effects — oriental music for peacetime, gunfire for wartime. I'm against this. The bimbashi didn't have musicians playing to him as he wrote, and his recollections of the battlefield were presumably written away from the fighting. There's a suggestion that the whole thing is made up. The letters and the narratives are quite dramatic enough by themselves.

The best news is that *Yes Minister*, the most intelligent and the most amusing sitcom we've ever had, has transferred to radio with the original cast. As it started on Tuesday with Jim Hacker's first arrival at his Ministry after an election that changed the party of the Govern- ment, we can be sure there is lots still to come.

Stylish figures from a new book, Fashion Drawing in Vogue, by our art critic William Packer, to be published on Monday by Thames and Hudson at £20. The illustrations celebrate the art of looking chic in the first half of this century and the text follows up with some dis- criminating and well-argued appreciation. This handsomely produced volume comes, for good measure, with a preface by David Hockney.

A well-conducted tour round Klemperer

BY MAX LOPPERT

Mr Heyworth's biography of Klemperer has been long awaited; in almost every parti- cular it surpasses the highest expectation. One advance criticism of his division of labours into two substantial volumes might have been framed before the event, as a simple question: does a conduc- tor, even a Klemperer, merit examination on such a large scale? The question is neatly answered in the author's pre- face, and then comprehensively dismissed by the book itself.

For what has been achieved is in fact three notable, and linked, feats. With rigorous attention to minutiae—this bio- graphy is a model of carefully composed footnotes and source information — Mr Heyworth has followed the early rise and subsequent fall of a musical master of outstanding qualities (the tale of subsequent per- sonal suffering and the triumphs of old age is saved for the second volume). He has given that figure his rightful central position in a wide-ranging study of German cultural upheaval. And, most remarkable, he has twined both strands in a social and political history of a country moving slowly but in- eluctably towards catastrophe.

The popular image of Klem- perer, preserved for posterity is the one fixed in his last years— the gaunt old giant unbroken by a series of hideous tribula- tions, the sublime interpreter of the classics, Beethoven above all, in whom craggy honesty, fortitude and power were match- lessly combined. But it does less than complete justice to the whole man—and it is upon the whole man that this first volume sheds its fullest illumination.

Klemperer the youthful manic-depressive and Klem- perer the youthful radical of puritanical idealism—it is a compulsively fascinating por- trait. We watch grimly down- cast phases alternating with uncontrollable euphoria. At the same time we witness, in meticulously documented but never tedious detail, the artistic growth towards mastery, the drive towards an ideal of opera removed from repertory drudgery, which culminates in the four turbulent seasons of Klemperer's Kroll Theatre directorship. The importance of those years can hardly be overestimated—for better or worse, as Mr Heyworth points out, the work of such postwar opera directors as Friedrich and Chéreau stamps them as lineal Kroll descendants.

Klemperer in Leningrad, 1925

One might perhaps disagree with Mr Heyworth's implicit evaluation of other leading con- temporary Berlin conductors, Furtwängler and Walter par- ticularly; and the writing shows excessive fondness for the figurative semi-cliché (on almost every page bull's eyes are scored, leaky ships run into stormy seas, cultural buds blossom only to meet a hard frost, grist is added to mills, and the like). But these are minor matters: in major, the aim does not falter. With what impatience one awaits the second volume!

Otto Klemperer: His Life and Times Vol. 1 1885-1933 by Peter Heyworth. Cambridge. £15. 492 pages

Gallic magic

"A film is a petrifying source of thought. A film resuscitates dead actions. A film permits one to give the appearance of reality to the unreal."

No director in the world has revelled more poetically in the trick-photography processes of cinema than Jean Cocteau. He spoke these lines in his own last movie, *Le Testament d'Orphée*, and they sum up all the magic of his work, not least his two great masterpieces, *La Belle et La Bête* and *Orphée*. Both have sprung up freshly resuscitated in gleaming copies from the video catalogues of EMI.

La Belle et La Bête was made in the last year of World War Two and is like a celebratory masque of hope and beauty conquering horror and ugliness. Jean Marais in cat's whiskers and a noble faceful of fur prowls and growls through his enchanted castle, where living human arms hold up candel- abras, smoking human heads prop up the mantelpiece, and beauteous intruders (Josette Day) are sternly asked to choose between death and marriage.

Dazzlingly designed by Christian Berard and lit by Henri Alekan, all Cocteau's play with the metaphysics of reflec- tion and perception — eyes, mirrors, pools—is hinted here in mesmerising miniature.

In *Orphée* the same motifs are woven large into the mod- ern-dress tale of a poet (Marais) falling in love with Death (Maria Casares) even while he rescues his wife Eurydice from her clutches. If the whimsy is at times a trifle flimsy in *La Belle et La Bête*, here the fan- tasy is hard and bright as day- light. The magical erupts from the everyday. A car radio spews out haunting non-sequitur say- ings—"The bird sings with his fingers," "A single glass of water lights the world." (They were inspired by the coded mes- sages of the French Resistance in World War 2.) Dead bodies spring up unaided from the ground and shattered glass magically reassembles (both with the aid of reverse motion). Mirrors are passed through to reach the "other world."

Video is often deservedly howled at for its poor reproduc- tion of colour and/or definition. Yet it's a wonderful boon with films like these. For you can explore Cocteau's filmic tech- niques using your VCR search button to rewind to see how the reverse-motion "tricks" were really shot. And you can also pore over and re-play the films' beautiful storytelling structures, which pendulum-swing between the real and the surreal with- out ever endangering the equili- brium between the two.

Another wartime master of the French cinema was Marcel Carné. Two of his films, both scripted by poet Jacques Prevert, are available from EMI. The famous *Les Enfants du Paradis*, made in 1944, spirits us into 1840s Paris and a Balzacian swirl of characters all bristling with wit, cynicism and garrulous romanticism. Cast from strength—Jean-Louis Bar- rault, Pierre Brasseur, Arletty, Pierre Renoir—the film has a costumed élan and literate crackle that still amaze us to- day and make it as much good theatre as good cinema.

Les Portes de La Nuit (1946) was Carné and Prevert's next venture and, though literate, had less crackle. Yves Montand, Pierre Brasseur, Serge Reggiani and Nathalie Nattier wander war-scarred Paris after the Occupation and behave more like refugees from a Maxwell Anderson "poetic drama" than real people. But Carné loved the eerie, foggy night streets and ill-met-by-lamplight encoun- ters, and the film is visually if not dramatically hypnotic.

"Hypnotic" was the word for Sir Ralph Richardson. Richard- son was the only British actor- knight who could summon both inner and outer fire. Olivier has always been able to blaze but not to glow; Gielgud to glow but not to blaze. At his best Richardson could do both. And we can be grateful that his greatest movie performance is available on video: his spectacu- lar assumption — at once pained and tragic, prophet-eyed and comic — of the role of James Tyrone in *Long Day's Journey Into Night* (Polygram). No part has ever better suited Richard- son's magical ability to shuttle between blinkered ruefulness and mystical transport, as if they were stations merely a stone's throw apart on life's railway.

Richardson collectors with video machines can also amass his radiantly gnomic butler in *The Fallen Idol* (EMI), his thundering and dotty dema- gogue in *Things to Come* (Poly- gram) and his late, 1970 appear- ance, twinned with Gielgud, in *Eagle In a Cage* (Intervision).

VIDEO

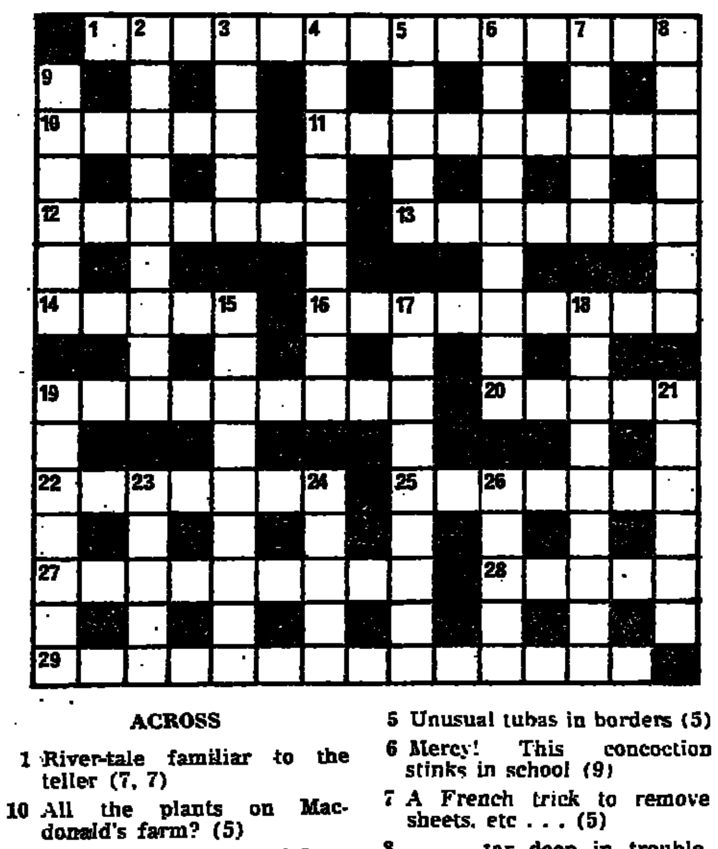
NIGEL ANDREWS

F.T. CROSSWORD PUZZLE No. 5,249

A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....



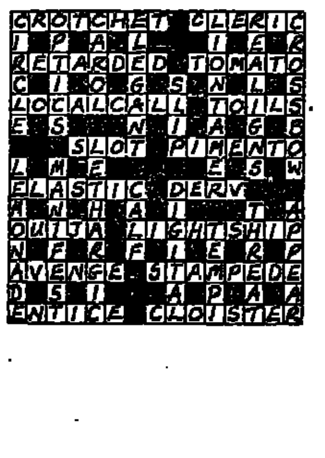
ACROSS

1 River-tale familiar to the teller (7, 7)
10 All the plants on Mac- donald's farm? (5)
11 See steam pour out of Lon- don marathon runner (9)
12 Dental notice shortened and put round party (7)
13 Crooner, about start of war, was modern sort (7)
14 Not properly fit, going to doctor—that is the common trend (5)
16 A tired Mum, distressed, is imperfect (9)
19 As stupid as Mrs Jack Sprat? (3-6)
20 Long time for you to be taking classical art (5)
22 Shout of welcome for account demand (7)
25 I make sin seem sorry (7)
27 Miracle-worker needed to reduce girth, having con- sumed suet (9)
28 Depths of the ocean, a dirty place (5)
29 Peevish relation found in 15? (5-9)

DOWN

2 Golf is out, definitely, for one who regularly lifts his head (9)
3 Excessively criticise the joint (5)
4 Somebody called after one (family issue, it appears) (4-5)
5 Unusual tubas in borders (5)
6 Mercy! This concoction stinks in school (9)
7 A French trick to remove sheets, etc . . . (5)
8 . . . tar deep in trouble, gradually leaving off (7)
9 Supply a powerful car? (6)
15 Roget? He's in The Bull (9)
17 Parisienne in motorway dining-alcove (9)
18 Strange piano-chords? No, no—Gershwin-like (9)
19 Mad French caper (7)
21 Rattles used in worship of Isis, traditionally . . . (6)
23 . . . religious musical setting of Roman, I believe (5)
24 State chief point (5)
26 House in which amens are tried out? (5)

Solution to Puzzle No 5,248



BBC 1

† Indicates programme in black and white

8.35 am Inch High Private Eye. 9.00 Saturday Superstore.
12.12 Weather.
12.15 pm Grandstand, including 12.45 News; Football Focus (12.20); Motor Racing (12.50); Racing from New- (bury) (1.20, 1.55, 2.25, 2.55); Tennis (1.40, 2.10, 3.10, 3.55); Snooker (2.40, 3.10, 3.55)— Wales v Canada; Final Score (4.35)
5.05 News.
5.20 Hi-De-Hi!
5.50 The Noel Edmonds Late Late Breakfast Show.
6.40 Blankety Blank.
7.10 Juliet Bravo.
8.00 The Paul Daniels Magic Show.
8.40 News and Sport.
8.55 Remington Steele.
9.45 Match of the Day.
10.35 Carrott's Lib.
11.15 Late Night Horror: "The Beast Must Die" (1974), starring Peter Cushing.

REGIONAL VARIATIONS:

WALES—12.15-5.05 pm Grand- stand, including Rugby Union (3.45-4.30) Wales v Japan—live coverage of the second half. 5.15- 5.20 Sports News Wales.

SCOTLAND — 5.15-5.20 pm Scoreboard. 9.45-10.35 Sportscene: Football: Rugby: Highlights.

NORTHERN IRELAND—4.55- 5.05 pm Northern Ireland results. 5.15-5.20 Northern Ireland news.

ENGLAND—5.15-5.20 pm Lon- don: Sport. South-West (Ply- mouth): Spotlight Sport.

BBC 2

10.10-11.15 am Open University.
2.45 pm Saturday Cinema: "Houseboat," starring Cary Grant, Sophia Loren.
4.30 Snooker.
6.20 Greek.
6.45 Grand Slam.
7.10 Photo-assignment Final Preview.
7.20 News and Sport.
7.40 Fly on the Wall.
8.10 Opera Night: Richard Armstrong introduces: "The Cunning Little Vixen," by Janacek, Welsh National Opera (simul- taneous broadcast with Radio 3).
9.50 Photo-assignment Trophy Final.
10.35 News on Two.
10.40 Snooker.
11.55 Tennis.
12.45-1.15 am The Twilight Zone.

LONDON

6.25 am TV-am Breakfast Pro- gramme. 9.25 LWT Information. 9.30 Sesame Street. 10.30 The Saturday Show.
12.15 pm World of Sport: 12.20 Darts; 12.40 Cycling; 12.45 News; 12.50 On The Ball; 1.20 The ITV Four from Doncaster; 1.40 Darts; 1.55 The ITV Four; 2.10 Darts; 2.25 The ITV Four; 2.40 Motor Cycling — The Shell Oils 500; 2.55 The ITV Four; 3.15 Motor Cycling; 3.45 Half-time Soccer; 4.00 Darts; 4.45 Results.
5.00 News.
5.05 Chips.
6.00 Game for a Laugh.
7.00 Russ Abbot's Madhouse.
7.30 Punchlines.
8.00 Hart To Hart.
9.00 News and Sport.
9.15 "The Big Red One," star- ring Lee Marvin.
11.20 Stanley Baxter.
12.20 am After Midnight.
1.05 News Headlines and Black Sabbath recorded at Ham- mersmith Odeon, followed by Night Thoughts with Sam King.

CHANNEL 4

2.05 pm A Kind of Living.
†2.30 "Scarlet Empress," star- ring Marlene Dietrich.
4.25 Magoo.
4.35 Chicago Teddy Bears.
5.05 Brookside.
6.00 Video Video.
6.30 News Headlines, followed by Flashback.
7.00 Seven Days.
7.30 Union World.
8.00 Karl Marx.
9.00 The Avengers.
10.00 Fox.
11.00 For 4 Tonight.
†11.30 The Worst Of Hollywood, "Plan 9 From Outer Space."

S4C (WALES)

1.40 pm A Week in Politics. 2.20 Claret and Chips. 3.45 Rygbi. 4.30 Making the Most of. 4.55 Yr awr Fawr. 5.55 Suported. 6.05 The Incredible Hulk. 7.00 Newyddion Saith. 7.15 Gair o Wlad y Sais. 7.45 Gwen Tomos. 8.35 Rocker's Roadshow. 9.20 Y Maes Chwarae. 10.10 Follow the Nation's Health. 11.05 Naked City. 12.00 Feature Film: "Murder In A Mist."

REGIONS

IBA regions as London except at the following times:

ANGLIA

9.35 am Falcon Island. 10.05 Vicky the Viking. 5.05 pm Knight Rider. 11.15 Star Parade. 12.15 am At the End of the Day.

BORDER

9.25 am Cartoon Time 9.40 Tarzan. 5.05 pm Knight Rider. 11.15 Journey to the Unknown.

CENTRAL

9.25 am The Wonderful World of Professor Kitzel. 9.30 Vicky the Viking. 9.55 Wattoo Wattoo. 10.00 Terrahawks. 5.05 pm Knight Rider. 11.15 Kolchak: The Night Stalker.

CHANNEL

9.25-11.00 am Saturday Space: Stingray, followed by Space 1999. Puffin's Space. 5.05 pm Puffin's Plaice. 5.10 Knight Rider. 11.20 Tina Turner.

GRAMPIAN

9.35 am The Smurfs. 10.05 The Adventures of Gulliver. 5.05 pm Knight Rider. 11.15 Reflections, fol- lowed by Scottish County Cricket Results. 11.20 In Concert Liberace.

GRANADA

9.25 am Tree Trunk Apartments. 9.40 Sport Billy. 10.05 Vicky the Viking. 5.05 pm Knight Rider. 11.20 Hawaii Five-O. 12.15 Jerry Lee Lewis live in London.

HTV

5.05 pm Knight Rider. 11.20 The Best of Saturday Night Live. 12.00 That's Hollywood. Fonda and Family.

SCOTTISH

9.25 am Storytime 9.35 Sunray. 10.05 Happy Days. 5.05 pm Knight Rider 11.15 Late Call. 11.20 Star Parade.

TSW

9.25 am Dick Tracy. 9.30 Adam Ant. 10.30 Metal Mickey. 11.00 Little House on the Prairie. 11.45 The Prutts of Southampton. 5.05 Newsport. 5.10 Knight Rider. 11.15 Tina Turner. 12.15 am Astronauts. 12.45 Postscript.

TVS

9.25 am Wattoo Wattoo. 9.35 The Smurfs. 10.00 Terrahawks 5.05 pm Diff'rent Strokes. 5.35 DJ. 11.20 Roots of Rock 'N' Roll. 12.20 am Company.

TYNE TEES

9.25 am Morning Glory 9.30 Gather Your Dreams. 10.00 TT Time. 10.05 The Adventures of Gulliver 5.10 pm Knight Rider. 11.15 Rock Around Midnight. 1.10 am Poet's Corner.

ULSTER

9.25 am Space 1999. 10.20 Cartoon Time. 5.10 pm Knight Rider. 11.15 Star Parade. 12.15 News.

YORKSHIRE

9.25 am Melotoons 9.35 Metal Mickey. 10.00 University Challenge. 5.05 pm Knight Rider. 11.20 Casablanca. 12.15 am Late Night Extra.

RADIO 1

(S) Stereophonic broadcast

8.00 am Tony Blackburn's Saturday Show. 10.00 Dave Lee Travers 1.00 pm My Top 12 (S). 2.00 Paul Gambaccini (S). 4.00 Saturday Live (S). 6.30 In Concert (S). 7.30 Janice Long. 10.00-12.00 Gary Davies.

RADIO 2

7.30 am David Jacobs (S). 9.30 Sounds Of The 60s (S). 10.30 Album Time (S). 11.30 Kenny's Clocks (S). 1.00 pm Radio Active. 1.30 Sport On 2: Tennis Daihatsu Challenge; Racing at 2.30 and 3.05; Rugby Union Wales v Japan, Football; 5.00 Sports Results, including 5.00. 5.50 football Results. 5.45 Racing Results. 6.00 Country Greats In Concert. 7.00 Beat The Record. 7.30 Gala Concert (S). 9.30 Big Band Special (S) 10.00 Saturday Rendezvous (S). 11.10 Pete Murray's Late Show (S). 2.00-5.00 am Bill Rennells. (S).

RADIO 3

8.00 am News 8.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S). 11.15 BBC Welsh Symphony Orchestra (S). 1.00 pm News. 1.05 Metropolitan (S). 2.00 Schumann, Revised Maher (S). 2.50 Musica Antiqua Cologne (S). 3.45 Bach and Franck (S). 4.15 Salomon Quartet Haydn (S). 5.00 Jazz Record Requests (S) 5.45 Critics' Forum. 6.35 The Organ Music of Olivier Messiaen (S) 7.45 Mozart: Symphony No. 28 in C (S) 8.10 "The Cunning Little Vixen" Janacek's opera, sung in English by Welsh National Opera (simultaneous broadcast with BBC 2) (S). 9.50 Donald Davis. 10.40 Another World. Indian music (S). 11.15-11.18 News.

RADIO 4

7.00 am News. 7.15 On Your Farm. 7.45 In Perspective. 7.50 It's a Bargain. 8.00 News. 8.15 Sport on 4. 8.48 Break- away including 8.57 Weather, Travel. 9.00 News. 9.50 News Stand. 10.05 Talking Politics. 10.30 Daily Service (S) 10.45 Pick of the Week (S). 11.35 From our own Correspondent. 12.00 News, Money Box. 12.27 pm Just a Minute (S). 12.55 Weather, Programme News. 1.00 News, 1.10 Any Questions? 1.55 Shipping Forecast. 2.00 News. 2.05 Afternoon Theatre. 2.50 Just The Job. 3.00 Medicine Now. 3.30 Worlds of Faith (S). 4.00 News, International Assignment. 4.30 Does He Take Sugar? 5.00 Wildlife. 5.25 Week Ending (S). 5.50 Shipping Forecast. 5.55 Weather, Travel, Programme News. 6.00 News, Sports Round-up. 6.25 Desert Island Discs (S). 7.05 Stop The Week with Robert Robinson (S). 7.45 Baker's Dozen (S). 8.30 Saturday-Night Theatre (S) "A Coat of Varnish." 10.00 News. 10.15 The Countryside in October. 11.00 Lighten Our Darkness. 11.15 Hot Air. 11.45 The Anatomy of a Retire- ment. 12.00 News. 12.10 am Weather.

BBC RADIO LONDON

7.32 am Good Fishing. 8.04 London Today. 9.03 Inside London. 9.30 Corridors of Power. 10.02 All That Jazz. 11.30 Robbie Vincent's Saturday Show. 2.02 pm Breakthrough. 3.30 The Great Composers. 6.00 Guideline. 6.30 Evening Star. 7.30 Hold The Front Page. 8.00 Radio Replies. 8.30 Good Fishing. 9.00 As Radio 1. 12.00-5.00 am Join Radio 2.

LONDON BROADCASTING

10.00 am Jellybone with Clive Bull. 12.00 LBC Reports with Des Fahy. 1.00 pm Sportswatch with Dominic Allen. 6.00 LBC Reports with Des Fahy. 7.00 Geet Mala with Suresh Joshi. 8.00 Net work. 9.00 Hayes on Saturday. 10.00 Nightline with Philip Hodson.

CAPITAL RADIO

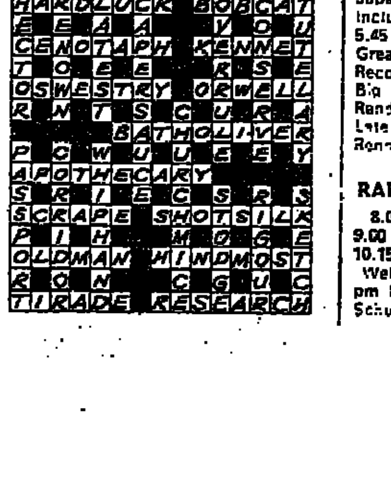
10.00 am Pick of the Pops—Take Two with Alan Freeman. 12.00 The Mike Allen Music Centre. 2.00 pm After- noon Delight with Steve Collins. 5.00 Gary Crowley's Magic Box. 7.00 Greg Edward's Soul Show. 9.00 Roots Rockers with David Rodigan. 11.00 Foreign Affair with Charlie Gillett. 12.00 Midnight Special with Phil Allen.

SOLUTION AND WINNERS OF PUZZLE No 5,243

Mr R. G. Delves, "Denmar," Grove Mount, Ramsey, Isle of Man.

Mr P. Goldstone, 5 Pine Meadows, Kirk Ella North Humberside.

Mr R. D. Pittman, Scarsdale, Tivoli Road, Dunlaoghaire, Co Dublin, Ireland.



CHESS SOLUTIONS

Solution to Position No. 487

(c) The game went 1 . . . P-QN4; 2 PxRP (2 PxBP, Q-Q4 ch and QxBP), NxP; 3 N-K3, R-K1 with active counterplay. (a) would leave Black's QNP weak after the pawn and piece exchanges. If (b) 1 . . . Q-Q4 ch; 2 K-N1, RPxP (now if P-QN4; 3 PxRP); 3 PxP, P-K5; 4 B-B4, QR-Q1; 5 PxRP White's pieces are active and Black's QNP is weak. If (d) 1 . . . R-K1 2 P-N5 gains space and fixes Black's Q-side pawns on dark squares where they are vulnerable to White's bishop.

Solution to Problem No. 487

1 R-QN1, P-Q5; 2 R-B5, KxR; 3 B-R3 mate.

THEATRES

ADELPHI. 836 7611-2. ... RSC's MUSICAL OF THE YEAR. ... David Firth in POPPY by Peter Nichols & Monty Norman. ... Opens Nov. 22.

ALBERY ... ALDWYCH ... AMBASSADORS ... APOLLO VICTORIA ... APOLLO (Shaftesbury) ... BARBICAN ... BARBICAN HALL ... CAMBRIDGE ... CHICHESTER FESTIVAL THEATRE ... CHURCHILL ... COLISEUM ... COMEDY ... CRITERION ... DONMAR WAREHOUSE ... DRURY LANE ... DUCHESS THEATRE ... DUKE OF YORK'S ... FORTUNE ... GARRICK ... [illegible]

GLOBE. CC 01-437 1592. Andrew Lloyd Webber presents THE SMASH HIT COMEDY OF THE SEASON, DAISY PULLS IT OFF by Denise Deegan. Directed by David Gilmore. Evgs 8.0, mats Wed 3.0, Sat 5.0. Group sales 930 6123.

GREENWICH THEATRE. 01-858 7755. Evgs 7.45 ... A STREETCAR NAMED DESIRE by Tennessee Williams. From Oct 25 FRANCIS by JULIAN MITCHELL.

HAYMARKET THEATRE ROYAL ... [illegible]

هكذا من الأصل

A heavenly intervention in clarets

BY EDMUND PENNING-ROWSELL

BORDEAUX VINTAGES are carried out on earth, but they are certainly made in heaven; and no clearer evidence of this has been shown than this year, one of the most surprising in living memory.

More often than not at or just before the picking starts, it is thumbs down from on high. In 1973, after a glorious summer, the vintage was diluted by heavy rain, and much the same happened with the 1976 after an extremely hot July and August.

The reverse occurred last year, with 18 blazing days in the first half of September, though there was rain thereafter, and heavy rain for those whose harvest went on into the first week of October.

The pattern was very different this year. A cold, late spring, with double the normal rainfall in April and May, was partly compensated for by a good vine flowering and the possibility of a large crop. Then followed a torrid July, as we had here in Britain, but our fine August was not matched in the Gironde, where terrific storms in humid weather flooded the vineyards and caused a good deal of unexpected rot.

August is the month when the grapes really begin to get ripe and to swell. The miserable weather continued up to the middle of September and, as one grower put it: "We expected a catastrophe."

However, over the weekend of the 16th-18th the weather changed miraculously. Summer heat was restored and the temperature went far up into the 80s. The vintage began officially on Monday the 26th, but many of the more important estates started a few days later. Taking no chances, they picked on Sunday, and in the less class-conscious estates the mechanical harvesters — 200 of them in the Médoc alone — were working late into the evening.

This hot weather continued right into October. Pétrus, that had started picking its small, 11-ha vineyard on the 28th, and then stopped on the following day, was finishing its crop in brilliant afternoon sunshine on the 5th.

For large vineyards like Lafite, Latour and Mouton-Rothschild, the vintage usually occupies two weeks, though Mouton hoped, with the aid of a huge *troupe* of pickers, to do the job in about a week.

If a pause in the picking occurs it is to ensure that the Cabernet-Sauvignon is fully ripe. Most of the vintage was over by early last week: "perhaps," as Peter Sichel of Angludet remarked, "the first all-dry vintage that can be remembered." For it usually rains a little, though not damaging right at the end, as the Cabernet skins are tougher than the earlier-picked Merlots.

Certainly it will be a big crop. The latest estimate of the official Conseil Interprofessional is for 3m hl of *appellation contrôlée* red wine and 1m hl of white; and the forecasts are usually very accurate — they were only 8,000 hl under 1982's record total of 3,508,000 AC red wine.

The only other 3m crop since the AC system started in 1935 was 1979's 3.3m one. A good average would be around 2.5m hl, or rather less.

Clearly 1983 will be a very saleable vintage; how good will be clearer after the winter.

I saw little of the white wine vintage, but once again it will be small, partly owing to severe storms in the Entre-Deux-Mers and partly to a switch to red-wine production in the dry-wine areas.

But prospects in the sweet-wine districts could be good. The all-morning mist that enveloped Sauternes, followed by afternoon sun, when I was there on October 6, was just what was needed to produce the 'noble rot' so essential. But this is a vintage that can go on until the end of this month, or even later.

With regard to the high prices of the '82 clarets, compared with the '81s, it has been alleged that to spread their tax liability they offered only a small proportion of their crop on the market.

This was not the case, for under new regulations *en primeur* sales are regarded as only pro-forma and tax is not due until the wines are bottled, in the middle of next year.

Meanwhile I had many opportunities to taste the '82s, of which very large quantities have already been sold to (I hope) consumers, particularly here in Britain and in the U.S. With the dollar-franc exchange rate at FFr 8 to the dollar, even at the very high prices for most of the classed-growths, these were a give-away for American buyers, and VAT apart on the higher ranges, not too bad for us.

In some quarters there has been a certain reaction against these much trumpeted '82s, but with a few exceptions where less than good wine has been made for some time, the large number I tasted, including all the first-growths, showed very well: big, deep coloured, rich wines.

It is not always easy to taste a one-year-old wine from the cask — and often even worse after two years when the wine is probably just in bottle, and very closed up in aroma and able for their depth of colour taste. Yet the '82s are remark- and their "sweetness," which makes them attractive and masks the considerable tannin.

The problem about the longevity of the '82s, and one unlikely to worry those who will hope to enjoy the wines before too long, is the relatively low acidity, for, along with tannin, it is the firmness of the fixed acidity that provides "backbone" for a wine.

It is generally thought in Bordeaux that, combined with the tannin, there is sufficient support for the '82 clarets though it may be a "Médoc year," owing to the dominance of the firm, tannic Cabernet-Sauvignon, rather than a St-Emilion and Pomerol year.

CHESS

LEONARD BARDEN

JOSEPH HENRY Blackburne (1841-1924) was the finest attacking chessplayer of his day and the best British master until Tony Miles and John Nunn whose peaks are yet to come. His dashing attacks, tactical coups, and swift aggression earned him his nickname on the continent of "The Black Death."

Just a century ago, at the great London tournament of 1883, he finished an excellent third to Zukertort and Steinitz who were shortly to play for the world title. His career is well documented in *Blackburne's Best Games* (Dover paperback, £3.15) edited with a new introduction by David Hooper.

Blackburne was not just a brilliant combinative attacker, but a sound player who possessed an excellent understanding of endgame finesses. His childhood and adolescent interest was draughts and he learnt the moves at chess at 18, probably the only world-class master who took up the game so late.

His progress was remarkably quick. Within two years he was already the Manchester club champion. He soon developed an unusual skill in taking on simultaneous blindfold games without sight of the board; and at 27 he was British champion. Though Staunton in the mid-1840s had been the unofficial world No. 1, competition then was not comparable with the organised international chess of Blackburne's day and the latter's games make by far the greater impression.

At his peak around 1875-80 Blackburne was probably the best in the world next to Steinitz, but was decisively checked when Steinitz defeated him 7-0 in a match. The main explanation is that Blackburne, with several promising positions after the first session, wined and dined too well during the adjournments.

Blackburne retained much of his strength into old age, and as late as St Petersburg 1914, when a veteran of 72, he defeated Nimzowitsch and drew with Alekhine and Rubinstein. He was a living advertisement for the durable powers of whisky, exemplified by the simultaneous display opponent who incautiously placed his drink on Blackburne's side of the board: "He left it en prise and I took it en passant."

At London, 1899, Blackburne defeated the then reigning world champion, Dr Lasker, a feat which was not to be repeated by a British player until Penrose outplayed Tal at Leipzig 1960 and Miles caught Karpov with 1 . . . P-QR3 at Skara 1980. Blackburne was also a specialist in opening traps which he used to effect in simuls to score rapid wins against his chess club opponents. The most notable was the "Blackburne Trap" where one of many similar games went (Blackburne White) 1 P-K4, P-K4; 2 P-KB4, P-Q3; 3 N-KB3, N-QB3; 4 B-B4, B-N5; 5 O-O, N-B3; 6 N-B3, P-QR3; 7 P-KR3, B-R4; 8 P-KN4, NxNP; 9 PxN, BxP; 10 PxP, NxP; 11 NxN! BxQ; 12 BxP ch, K-K2; 13 N-Q5 mate.

The overall impression is of a man of unusual nervous and physical energy, a bearded Victorian patriarch and a W. G. Grace of the chessboard. His annual nationwide tours made him a great populariser of the game, but paradoxically his successes did not inspire young players, and in the post-Blackburne era British chess went into a decline from which it only recovered half a century later. Blackburne's ability to crush routine play is shown in this curious game which he won at Hastings 1894 and repeated at Eastbourne a week later.

White: J.H. Blackburne. Black: Amateurs. Opening: French Defence.

1 P-K4, P-K3; 2 P-Q4, P-Q4; 3 N-QB3, N-KB3; 4 B-KN5, B-K2; 5 BxN, BxB; 6 N-B3, 0-0; 7 B-Q3, N-B3? (better P-QB4); 8 P-K5, B-K2; 9 P-KR4, P-B3; 10 N-KN5! PxN; 11 BxP ch, KxB; 12 PxP dis ch, K-N1; 13 R-R8 ch, KxR; 14 Q-R5 ch, K-N1; 15 P-N6, R-B4; 16 Q-R7 ch, K-B1; 17 Q-R8 mate.

POSITION No. 487

BLACK (13men)

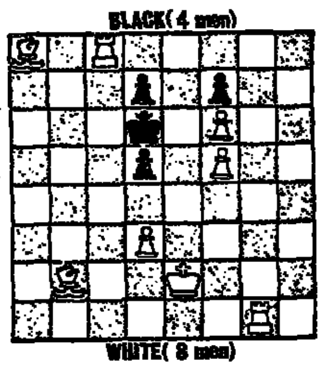
WHITE (13men)

Evans (U.S.) v. Karpov (USSR), San Antonio 1972. This week's puzzle tests position judgment rather than tactical skill. Karpov (Black, to move) is under pressure from a queen's side space-gaining pawn advance and is looking for the surest way to equalise.

Should he opt for (a) RPxP with simplifying exchanges (b) Q-Q4 ch to centralise the queen (c) P-QN4 to stop a further push by P-N5 (d) R-K1 to counter with . . . P-K5 or (e) another move?

PROBLEM No. 487

BLACK (4 men)



WHITE (8 men)

White mates in three moves against any defence (by F. Giegold). Black is down to a single pawn move, but this can be a hard puzzle which has baffled earlier solvers for several hours.

Solutions, Page 14

BRIDGE

E. P. C. COTTER

RUBBER BRIDGE provides both example hands today. In the first the declarer failed to find the winning line:

```
            N
         ♠ Q J 4 3
         ♡ J 8
         ♢ K Q 2
         ♣ K J 10 9
   W                  E
♠ 8 7             ♠ 5
♡ A Q 10 2        ♡ K 9 7 5 4
♢ J 10 9 7        ♢ A 6 4 3
♣ Q 7 5           ♣ 8 3 2
            S
         ♠ A K 10 9 6 2
         ♡ 6 3
         ♢ 8 5
         ♣ A 6 4
```

With both sides vulnerable South dealt and bid one spade, and North's raise to four spades concluded the brief auction. West led the Knave of diamonds, covered by Queen and Ace. East returned the three, and the King won.

The declarer drew trumps with Ace and Queen then returned dummy's Knave of clubs, which ran to the Queen. West cashed his heart Ace, East dropped the nine and defeated the contract with his King.

"I always play Queen over Knave," said South, "but it did not work this time." "Not a good method at the best of times," replied North, who was a good player, "and utterly wrong on this occasion. The contract was cold. After drawing the second trump, you should ruff dummy's remaining diamond, and then get off play with a heart. The opponents can take two tricks in the suit, but then whichever defender is on lead must find the club Queen for you by a club lead, or concede a ruff and discard by returning a red suit. There is no need for any guesswork."

Let us consider the defence. When East takes his diamond Ace, he should think before returning the suit. If his partner has led from four cards, which is likely, it is a mistake—it will help the declarer to operate an endplay (remember last week's hand?). At trick two he should return the Heart King. West then makes the Ace, leads a diamond, and South is left to guess diamond position.

The second hand was:

```
            N
         ♠ J 6 5
         ♡ 10 5 3
         ♢ A 7 2
         ♣ K Q 10 4
   W                  E
♠ 8 7 4 2         ♠ K 10 9
♡ K J 8 6         ♡ A 9 2
♢ J 9 6 3         ♢ 10 8 4
♣ 5               ♣ J 9 7 2
            S
         ♠ A Q 3
         ♡ Q 7 4
         ♢ K Q 5
         ♣ A 8 6 3
```

At game all South dealt and bid one no trump, North raised to three, and all passed. West led the six of hearts, East won with the Ace, returned the nine and West took three more tricks. On the fourth heart dummy and East threw diamonds and South had to find a discard. It is very tempting to throw a club from hand, but the declarer decided to throw the three of spades. West exited with the diamond three.

Winning with dummy's Ace, South returned the five of spades and finessed the Queen—unless East had the King, the contract was hopeless. When the Queen held, declarer played a club to the King, returned the four to his Ace on which West showed out, and cashed his King of diamonds.

At this point dummy held Knave, six of spades and Queen, ten of clubs, East held King, ten of spades and Knave, seven of clubs, while declarer held Ace of spades, Queen of diamonds, and eight, six of clubs.

South now played his diamond Queen, throwing the club ten from the table, to catch East in a crisscross squeeze. If he threw a spade, South would cash the Ace and cross to the club Queen to make the Knave of spades if he threw a club South would cash the club Queen and return to his spade Ace to enjoy the eight of clubs.

John Barrett reports on the sponsorship game

Everyone's for tennis

SUCH HAS been the growth of international tennis since the game became open in 1968 that it has become a 13-month a year sport.

There are too few weeks to fit into the overcrowded calendar all those tournaments and special events that their promoters believe are commercially viable. Hence the clashes and arguments about dates which occupy so much of the administrators' time.

Two well-established British events whose dates are secure are this week's Daihatsu Challenge at the Brighton Centre, a $150,000 women's event that is part of the Virginia Slims World Series and the Benson and Hedges Championship, a $315,000 Volvo Grand Prix Men's tournament which fills the second week of November at the Wembley Arena.

Both of these popular events contribute greatly to the health of European tennis but each depends upon the commitment to sports sponsorship of the two companies concerned. This year's Daihatsu tournament is the fifth at Brighton and with its wide Press and TV coverage (sadly threatened this year owing to the continuing dispute between the BBC and members of the ABS) has done a wonderful job of increasing brand awareness for Japan's oldest, but previously little-known motor manufacturer.

Mr Laurence Kemmish, managing director of Daihatsu UK, now faces the classic dilemma for all such companies. "Undoubtedly the tournament, as the central part of our marketing-spend has achieved a great deal for the Daihatsu name.

"But it is expensive — well into six figures in fact — and you must always question if the money could be better spent elsewhere.

"The first problem is to quantify the benefits. The second is what will happen to sales if you end what has become a very successful event at a key time of the year alongside the Motor Show.

Another motor manufacturer, BMW, has decided not to continue with their support of the pre-Wimbledon women's tournament at Eastbourne. Marketing manager Tim Greenhill believes that he has achieved his objectives of brand awareness for BMW.

"As a nationwide company it is important for us to be involved with our total dealer network and Eastbourne is slightly inaccessible for that purpose. But in our four years there I believe we did create an empathy with our target market.

"We see ourselves in the role of patrons to sport as the landed gentry used to be years ago. Our researches suggest that we have achieved our objectives in tennis. We shall probably concentrate on motor racing now as a marketing tool."

There is no such dilemma for Benson and Hedges. With large advertising budgets enhanced by the money that cannot be spent on direct TV cigarette advertising all the tobacco companies have at one time or another sought opportunities sponsor televised sport.

B&H have done it better th most and certainly the field i this year's tournament stronger than it has ever bee In fact the cut-off point for t 32-man draw was Roscoe Tann —36 on the computer rankin and the first finalist at the eve in 1976 when he lost to Jimr Connors — making it t strongest tournament of t year outside the Grand Sla events.

Mr Len Owen, special ever director of B&H, judges t success of the many events h company sponsors in snook cricket, golf, racing, tennis a music by the exposure he ge on TV, radio and in editori newspaper coverage.

"We believe in supporting tl best in sport so that continui is important. We like to l involved for a minimum three years and often for long because it takes time to bui an event, as it has done Wembley. Ultimately it is pu lic awareness for our tobac products that justifies our su port."

Tennis is indeed fortunate having many responsible spo sors who as well as looking fo commercial returns are keen contribute to the image of th sport iself.

It is even more fortunate tha waiting in the wing, are othe companies eyeing keenly thos key weeks where full medi coverage can be guarantee They are all waiting for exis ing sponsors to drop out.

Roy Hodson sees a yachtsman's dream

Sailing with big J

AS WE approached the Royal Yacht Squadron starting line at Cowes this week sailing at 12 knots into a near-gale I had time (just) to reflect that the whole experience was beginning to resemble the "time warp" plot so over-used in TV drama.

More than 20 volunteer yachtsmen were getting very wet pulling on massive sheets and tackles to sail Velsheda a 128 ft long J-Class racing yacht. The boat was real enough, heeling to the strong westerly wind, her bows throwing spray 100 ft down the deck, her 160 ft tall mast carving wide arcs in the sky above, though she carried only storm canvas.

The dreamlike quality of the occasion was the setting. Forty seven years had passed since Velsheda, and a handful of J-Class yachts like her, last started a race at Cowes. At the end of the 1936 season Velsheda, the two Endeavours, and Shamrock—the total British fleet of the class—were laid up for the winter. They were never to race together again. Two years later war was declared and the era of the Big Boats had ended.

Ended, that is until a quiet-spoken Hampshire businessman Terry Brabant bought the remains of Velsheda's hull, which had laid in the Hamble river mud for as long as most present-day yachtsmen could remember.

His quixotic notion was to restore her to her original specification without such modern fripperies as engines, or similar embellishments which might take the edge off her astonishing sailing qualities.

Four years work, partly by volunteers, has enabled Velsheda to take to the sea again as a true reminder of the biggest and most perfect class of racing yachts the world has ever seen. There are a handful of other old J-Class yachts surviving but much modified as cruising boats. Only Velsheda is in original condition and able to set a cloud of 7,500 sq ft of canvas on her single tall mast.

Brabant found himself having to replace almost everything except the basic framework. The hull was replaced above the waterline. Spencers of Cowes, the rigging specialists who stepped the new mast, had to turn out massive wooden blocks for the rigging, of a style not used in racing for nearly half a century.

The 70-tonne lead keel had long since disappeared and has been replaced. With lead commanding some £300 a tonne the keel alone is thus worth some £21,000.

Brabant has metals interests which led one wag on board Velsheda to suggest the keel might be regarded as "working stocks."

Below decks she is being fitted out to as near as possibl her original 1930s decor—ligh woods and jazz-patterned ca pets rather than the traditiona dark mahogany of yacht ir teriors.

I'm not sure that Terr Brabant knows exactly what h will do with Velsheda now tha he has reached his goal o completely restoring her. Oddly she is the first yacht he ha ever owned.

He wants to enter her in th Transatlantic Tall Ships Rac next year, and may make he available for some special char ters and, perhaps for film work

Wherever she goes, wahteve she does, shes will need a crew of about 20 hearties to sail her When the skipper puts he about it is no light affair o twiddling high-powered winche A dozen men are needed t haul on the headsail sheet while others attend the back stay.

Clearly the problems of crewing and maintaining a Big Boat half a century out of its time are going to be considerable. But Brabant seems to have the capacity to put such future headaches to one side while he revels in the achievement of simply having brought Velsheda back to life.

And all who will sail in her will thank him for that while revelling in her style, grace, and pace.

ROYAL COURT. S CC 730 1745. THE GENIUS by Howard Brenton. Last 2 Perfs Today 4.00 & 8.00. Today mat all seats £2.

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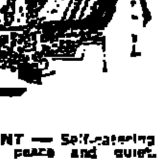

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Saturday October 22 1983

Lawson talks rates down

HE Chancellor of the Exchequer, Mr Nigel Lawson, as never been averse to taking sks. It was entirely in haracter that he chose this eek to preach unconventional isdom to the City.

At the Lord Mayor's Mansion louse dinner he dismissed sugestions that inflation in Britain was emerging from a yclical low point and argued hat recent indicators point to downward trend next year. This forecast was accompanied y a homily on the relative erits of the different monetary aggregates for money upply targetry. The Chancellor indicated that the Government is to place more emphasis n the narrowest definition of noney, the so-called Mo which onsists mainly of notes and oin in circulation—a sort of nodern disguise for the iduciary issue so beloved of 9th century parliamentarians.

Expectations

The timing of the Chancellor's forecast was certainly bold, given that the annual rise in he retail price index has reached 5.1 per cent against ts low point earlier this year of 3.7 per cent. This week's third-quarter figures for the public sector borrowing requirement pointed to a significant overshoot and the failure n Cabinet to resolve the battle between spending departments has led to a Cabinet sub-committee—known as the Star Chamber-being given the task of arbitrating over expenditure cuts. The outcome will be announced in the Chancellor's autumn statement next month.

The longer term risk in the Chancellor's forecast lies in its double-or-quits nature. Expectations have always played a crucial part in this government's monetary policy. That, indeed, is what the medium-term financial strategy, of which Mr Lawson was a leading architect, is supposed to be all about. Yet monetary policy has so far failed to alter the crude trade-off between lower inflation and higher unemployment, partly because expectations have lagged behind events.

In these circumstances Mr Lawson appears to be making a more ambitious attempt than his downbeat predecessor Sir Geoffrey Howe to influence behaviour in labour and financial markets. If his forecast proves self-fulfilling, future attempts to influence expectations will be that much more credible.

The financial markets, however, will take some convincing. The setback over the past fortnight in equities and gilt-edged, which has led to talk of a new bear market, is very much to do with inflationary expectations. Some fund managers feel that an anti-inflationary approach that lays such heavy emphasis on monetary policy may buy time but question whether it will solve the longer term problem.

On Thursday the equity market did Mr Lawson the courtesy of putting on its best performance since June. But this was largely fortuitous. Friday's comment from the gilt-edged market, which is the litmus test for any statement on inflation, was uninspired and uninspiring. The differential between the redemption yield on fixed-interest and index-linked gilts points to longer term inflationary expectations in the 6½-7½ per cent range.

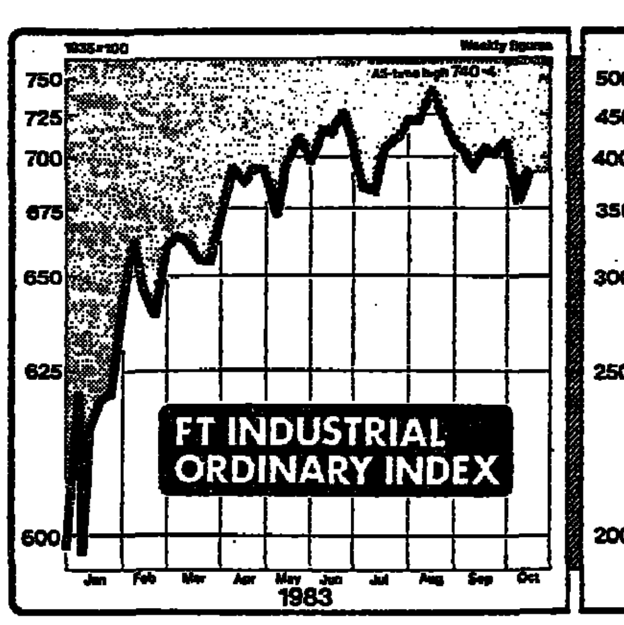
That is not to say that the odds against Mr Lawson are uniformly bad. Since the Tories first took office in 1979 the British workforce has lost some of its pay-bargaining fervour. Union power is on the wane and the existence of an army of unemployed has so far prevented the upturn in wage inflation that might have been expected in a normal recovery. Downward pressure on public sector pay has tended to offset recent buoyancy in the private sector. The secular trend in inflation thus still appears to be downwards.

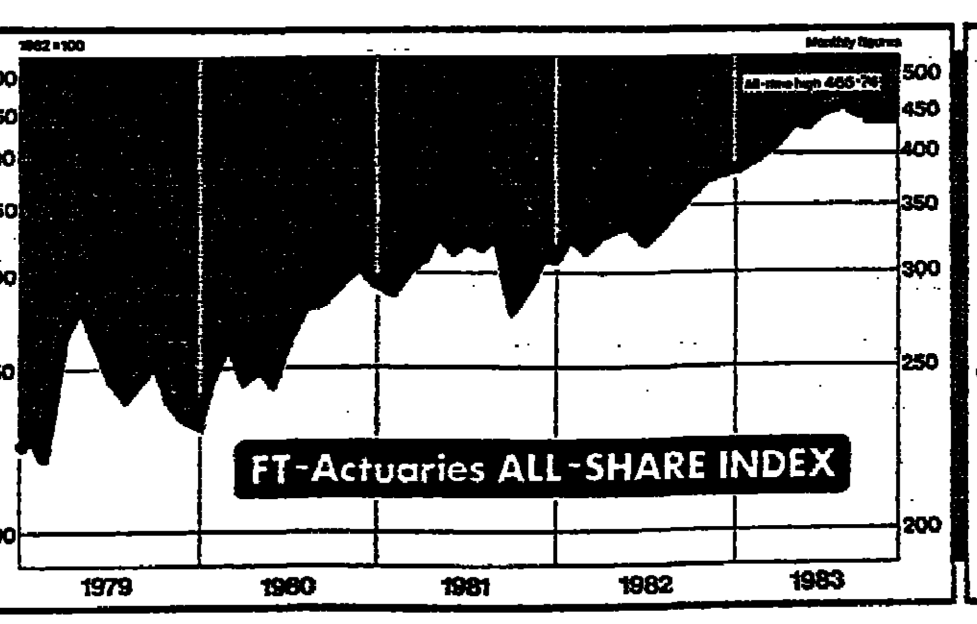
The snags lie in Mr Lawson's inability to influence expectations overseas. In sterling terms The Economist commodity index (which excludes oil) is up more than 40 per cent on the year. And British interest rates cannot altogether escape the pull of Wall Street, even though the gap has been reversed, as the Chancellor pointed out. Uncertainty over the Federal Reserve's monetary policy, together with continuing concern over the imbalance between U.S. monetary and fiscal policy, has played an important part in unsettling world markets over the past month.

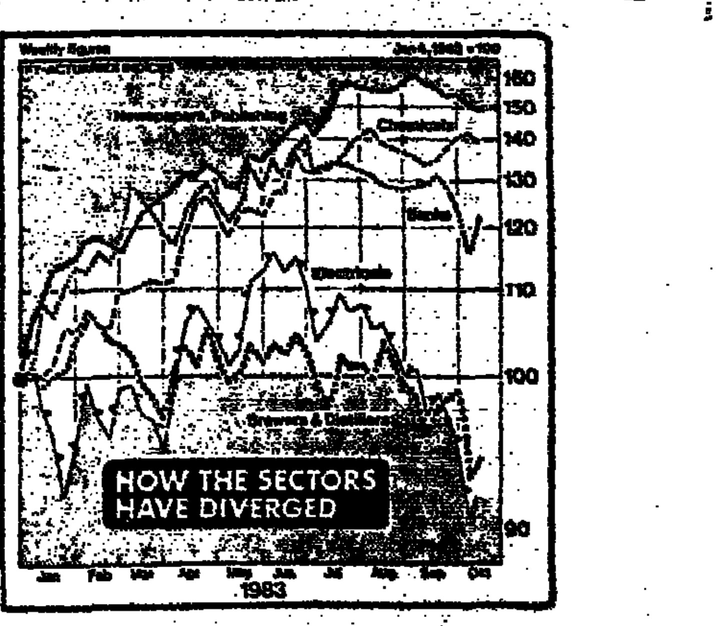
Sustained growth

It is not hard to understand why Mr Lawson feels inclined to take risks. Thanks to North Sea oil Sir Geoffrey Howe presided over an economy in which the majority of people in work enjoyed growing real incomes. Disposable income per capita held up even when real gross domestic product was falling. Taken together with the decline in the savings ratio this produced the right economic configuration for an overwhelming Tory victory at the polls.

In the absence of a new North Sea boom the Chancellor needs to see sustained growth if the Tories are to be in with a chance at the next election. And that means devoting a greater proportion of national income to investment, instead of personal sector consumption. If Mr Lawson can pull off the trick of much lower nominal interest rates in Britain, he will have done much to help sustain the recovery.







Why the bulls are looking for pastures new

By Barry Riley, Financial Editor

FOR nearly two months the London equity market drifted back from its August all-time peak, suffering its biggest reversal since 1981. As is so often the case, the market fell without really knowing why; and when the reasons became clearly identifiable this week, share prices perversely staged a spirited rally on Thursday.

Arguably, for long-term students of the equity market, the strength of the indices during the summer was more of an anomaly than the recent setback. After all, a reliable rule-of-thumb for investors in the post-war era has been to sell equities on a Conservative election victory and buy back in at lower prices a year or two later.

That was true of 1955 and 1959, for instance, and certainly of 1979. This time, however, optimism persisted well past Polling Day. The FT-Actuaries All-Share Index, the broadest measure of the market, covering 750 shares, stood at 443.84 on June 9, but after one or two wobbles went ahead by 4.9 per cent to peak at 465.74 on August 18.

The FT 30-Share Index did much the same, improving from

There is a feeling of drift about Government economic policy

716.4 to 740.4 at its own all-time high on August 22.

The market's confidence was founded on the view that the bad old days of Tory electioneering had been replaced by a new firm, resolute style. Instead of undeliverable promises and giveaway budgeting, the Government had chosen a much more responsible path.

There would be no repetition of Sir Geoffrey Howe's post-election clampdown in 1979, including the raising of VAT from 8 to 15 per cent. And indeed there has not been, although Mr Nigel Lawson's mid-course correction in July, leading to moves like the £500m sale of shares in BP, raised one or two eyebrows.

So there was a good chance that prudent budgeting would allow the Government to steer along the very narrow course that would enable the equity market to show further growth from relatively high levels; growth in the economy should be reasonable to sustain profits growth, but not so high as to put pressure on the monetary targets and force up interest rates.

For a while it looked good. Companies were reporting encouraging profits growth, averaging out at some 20 per cent, and the exchange rate was comfortingly steady. Bank base rates fell shortly after the election (and came down by another half-a-point at the beginning of this month).

But now evidence has started to come through that, perhaps, the economy is stronger than expected. There was a huge boom in new car sales in August, when registrations reached an all-time record of 374,600. Retail sales jumped sharply in September, showing 6 per cent volume growth on the same month of 1982.

And official borrowing figures published on Tuesday showed that the level of Government borrowing has been running well above target. Instead of the expected £8bn public sector borrowing requirement on the basis of the pre-election Budget, the figure could now easily turn out to be £10bn or £11bn.

Previously the City had been willing to give the Government the benefit of the doubt over the spring Budget, even though its figuring always looked on the optimistic side, and it contained features such as unduly slack monetary targets and a tax inducement for borrowers on mortgage which has helped to aggravate a home loans famine and push up effective mortgage rates.

Now, however, there is a feeling of drift about Government economic policy, partly in reflection of a general concern that the Thatcher regime may have lost its way.

If the economy is indeed slipping out of the Government's control, how might this affect the stock market? The reason is that securities prices are highly sensitive to financial pressures within the economy. Share prices taken as a whole tend to be even more responsive to interest rates than to the performance of the underlying companies—though of course this is not at all true for individual shares.

History shows clearly that share prices are at their strongest in the early stages of an economic upturn. At such a time companies are taking up the slack, their profits and cash flow are improving fast, and wage pressures are weak.

In the first half of this year, according to official statistics also released this week, the net borrowing requirement of British companies fell to £0.9bn compared with £5.4bn in the same period last year.

But as the typical recovery gathers pace, companies start to spend more money by expanding their production and work-in-progress and stepping up their capital spending. Meanwhile wages start to accelerate—and it seems that the underlying growth of earnings of employees in August started to edge ahead, the first upturn in the monthly series for three years.

There has been heavy selling of the big electrical shares and many of the 'story' stocks now look rather played out

This is all very well when the Government's own demands on the capital markets are declining. But it has been a big seller of gilts to finance its deficit at the same time as holding down the growth of the money supply. In the five weeks to mid-September the Bank of England sold as much as £1.75bn of gilts.

No wonder long-term interest rates have stayed obstinately high. Despite falling inflation, the prices of gilt-edged have failed to sustain last year's strength, and it is unusual for trends in the gilt and equity markets to diverge for very long.

This week the new Chancellor of the Exchequer, Mr Nigel Lawson, did his best to inject some confidence back into the capital markets. He insisted that there was too much pessimism about the inflation rate (which many City economists expect to rise to between 6 and 7 per cent next year) and that the Government's commitment to its financial strategy remained undiminished.

However, the big institutional investors who dominate the London stock markets will be looking for deeds as well as words. They note that the Government is making heavy demands on the resources of investors in equities as well as gilts, through issues such as the recent BP offer. Looming up in a year's time is the enormous British Telecom flotation, which could mop up something like £4bn (though not all at once).

In the meantime the private sector is also a heavy raiser of new capital on the stock market. There have been many sizeable rights issues this year—with total equity issues amounting to over £2bn in the first nine months of 1983, and a queue stretching ahead well in the New Year.

So it is not surprising that the mood of the market has changed. The big institutions plan their strategy on the basis of asset allocation targets—so much of their portfolio in UK equities, so much in gilts, and so much in other assets like foreign equities or liquid investments. They can now be much more confident of reaching their equity targets without chasing prices up.

This is partly because, at this stage of the economic cycle, they will be inclined to edge the equity percentages down. It is also because they can foresee a plentiful supply, with Reuters mooted as a £1bn-plus newcomer for next spring, for example.

While the big investors are becoming more cautious, there are also good reasons for a rethink by smaller investors. The share indices have been going up without a substantial break for two years now, until the present correction. A lot of profits are there to be taken.

The whole market is looking rather tired and in need of a new theme. Recently it has lacked consistency: although the overall pattern of the indices has looked reasonably steady for most of this year, this has disguised a huge disparity between different sectors.

Thus the big electrical shares like GEC and Racal which led the equity market up so strongly during 1982, when profits growth was highly valued during the recession, have been heavily sold during 1983 when investors have sought something more exciting.

There has been a premium on "story" stocks ranging from the Fleet Street shares riding the Reuters bandwagon to the international favourites like ICI and Glaxo being chased up by the Americans. But many of these special situations are now looking rather played out and the same applies to the high technology craze which has brought such life to the Unlisted Securities Market in particular but is now fading under the twin pressures of a shakeout in electronics stocks in the U.S. and an oversupply of new issues at home.

Thursday's technical rally in share prices — which petered out yesterday — did not really change the picture significantly. There has been no really substantial change of mood in the gilt-edged market — and it is long-term interest rates which must hold the key to any fundamental change in the mood of buyers of equities.

Overseas the problem of high long-term dollar bond rates is not going to go away, certainly not this side of the U.S. Presidential election. And at home it will take more than the Chancellor's Mansion House assertions to produce renewed optimism about inflation rates — especially when the broad monetary aggregate PSL2 is rising at over 13 per cent per annum. There is a suspicion, too, that PSL2 would be rising still faster if substantial deposits at building societies had not been attracted into longer-term savings accounts which put them outside the broadest definition of money, but perhaps only temporarily.

For the time being, analysts in the City are waiting for confirmation that companies are going to attain the significant profit gains for the full year that are being predicted for them. At this stage, the buoyancy of the UK economy, and the general signs of revival in most of the leading overseas countries, make the forecasts look soundly based.

But there is also a tendency to ease back on projections of profits growth in 1984, on the view that cost pressures are

At least there is no call for alarmist analyses of today's market

going to assert themselves more forcefully next year.

It is a situation in which the equity market is likely to behave more buoyantly if, paradoxically, the economy fails to maintain its recent apparent surge; steady growth would avoid the monetary pressures that would come from an economic boom.

At least there is no call for alarmist analyses of the equity market today. On fundamentals, such as an average yield of around 5 per cent, Ordinary shares are not especially highly valued by historical standards. And with the economy growing more strongly, there is a chance that some of the lagging sectors in engineering and capital goods will start to show their paces.

But the market is in a mature phase. At these levels investors are showing profits, and issuers are much more eager to launch new equity offerings. The trading area in which willing buyers meet willing sellers is more likely to be a little lower than a little higher.

Letters to the Editor

Travelling in Russia

From Mr A. Broadbent

Sir,—Mary Ann Sieghart's article headed "Some sorry tales of travelling in Russia" (October 15) is indeed a sorry tale, but one is left with the impression that many of her troubles were the result of her inexperience and lack of careful preparation for such an undertaking. To take just one of her statements "we had committed the cardinal sin of travelling to Russia on our own."

This is just not true, over 18 years ago I took a 1955 Rover 60 with my wife and two boys from Bulgaria to Odessa, back through the Ukraine, Czechoslovakia and then to Ostend and Oxford. At that time, we were the first car into Russia without an interpreter. Later I shipped the same car from Tilbury to Leningrad and then spent seven weeks driving down to Sachi on the Black Sea coast, thence home through Poland and the Channel ports. On such a journey I took the elementary precaution of having a stout tow rope, fan belt, and a full kit of tools and spares.

On other trips in the USSR, I have experienced bad and difficult road conditions due to the practice of drying grain on the road during very wet weather, but generally speaking the main roads are very good. Her suggestion that there would have been very little left of her abandoned car or its contents, is unfortunately a fact of modern life, either in the east or the west. In Oxford it would certainly have been stripped. As for the U.S. at San Antonio in Texas, they even stole my only pair of trousers while I was asleep. On making a complaint to the police the officer's laconic reply was "Think yourself lucky Bud, you might have been a statistic now."

Regarding accommodation in Russia, when travelling by car we used the camping sites from the Baltic to the Black Sea, we found them excellent in every way. At lunch time on the road we had our meals in wayside restaurants, and once joined the queue at a factory canteen, no one raised an eyebrow or an objection.

I was in Russia last year, this time the easy way, on an Intourist ticket. I moved about freely on my own, and often took a trip by public transport to places 40 miles away. I was often in the cities late at night and felt as safe as anywhere else, in this troubled world.

A. R. Broadbent.
45, Hurst Rise Road,
Cumnor Hill,
Oxford.

Cancelled opera

From Mr James Hardiman

Sir,—The English National Opera has cancelled at three days' notice two performances, one of "Rienze" and one of "Orfeo."

This is apparently because they needed the time to get some machinery in for "Valkyrie."

It is only because they get such large subsidies that they can afford to treat the paying public in this way — or, to put it another way, if you make a loss on every performance, it doesn't matter if you cancel it.

I suppose the grant authorities will take notice of this.

James Hardiman.
64, Tredegar Square, E3.

Lebanon

From The Hon. Terence Prittie

Sir,—Thank you for the extremely interesting and informative article "Syria's key role in the Lebanon imbroglio" by Ian Davidson (October 18). May one be allowed to disagree only on two points?

Ian Davidson suggests that "national reconciliation" in Lebanon would "mark the death certificate of all Israel's diplomatic objectives in the Lebanon." Clearly, this is not so. Israel wants a stable, united and peaceful Lebanon on its northern borders. This can *only* come about by "national reconciliation." Certainly, Israel supported and continues to support the Gemayel Government as the *only* effective instrument for paving the way. But it has always been obvious that Lebanon could not be ruled by a "Christian dominated" administration on its own.

In the second place, Ian Davidson writes: "There is stalemate between Israel and Syria, with each side insisting that the other must remove all its forces first." This is plainly incorrect. Israel has agreed to remove its forces, if Syria *and* PLO do likewise. Syria is demanding that *all* Israeli forces should withdraw first, even before Syria makes up it's mind whether to withdraw at all.

Israel, admittedly, has entered into mutual security arrangements with Lebanon for the protection of its borders. Plainly Syria would be able to do likewise — although the PLO has in fact never threatened Syria's borders, only Israel's.

Terence Prittie.
Britain and Israel Information and Trade Centre,
126-134 Baker Street, W1M

Property

From the Joint Chief Surveyor, Prudential Assurance Co.

Sir,—I really cannot allow William Cochrane (October 14) to get away with his quote that the Legal & General is a bigger property owner than the Prudential. If he looks at the latest Prudential Corporation report, he will see that its property investments are valued at £3.46bn at the end of 1982. Even allowing for those investments held by overseas branches and by the Mercantile & General he will find that from Holborn Bars we currently look after about £3bn of property assets. Legal & General property interests are growing rapidly but we have not handed over the accolade yet!

Peter G. Green,
142, Holborn Bars, EC1.

British Rail

From Mrs Anne Blackburn

Sir,—I refer to the letter on British Rail from A. L. Beard (October 3).

As a "non-BR fan," I identified with the content; however, I write to you immediately after the most hilarious experience of my train-travelling life, and BR should take note that, when staff do identify with their captive audience, they respond.

The 11.50 from Euston to Manchester informed us, at the ticket barrier, that there would be (regrettably) no restaurant car to serve luncheon—Groan!

On boarding the train, I encountered the "volunteer" replacement for the absent chef; he happened to be the chief steward on the Manchester/London Pullman Service—make no mistake, he knows his market. His extra shift should have included full luncheon service, but not to be for him; he and his "team" (two others) satisfied the whole train with their requirements via the buffet. They even ran out of change for one and five pound notes, and announced this shortage over the PA system.

The chief guard had to be heard to be believed. He was given information regarding London Saver tickets, which was open to misinterpretation, and which required many passengers to supplement their original tickets by £3, since it was Friday. He kept us informed and amused, by a PA commentary, on his resolve to sort this anomaly out (his words), the football teams of the stations through which we passed, the reason for a seven-minute delay, and managed to get clarification on the Saver tickets transmitted by Stoke-on-Trent station to Macclesfield by the time we arrived at Macclesfield.

On alighting at Stockport, the common talking point among fellow passengers was—not the lack of restaurant service—but the total commitment by BR staff on that train.

Take a lesson, BR. Some of your staff really do identify with their customers, and the toilets are not always "not for public use." Perhaps Mr Beard should use the Euston line in future, or BR should enlighten their King's Cross team.

M. E. A. Blackburn,
Managing Director,
Blackburn Business Services.
Jumper Lane,
Rainow,
Macclesfield.

Tenders

From Mr Keith Tunstall

Sir,—In view of the increasing use and success of issue by tender, may I suggest that issuing houses offer generally the facility (recently made available in the BP sale) of striking-price applications to small investors.

This would remove the difficulty of assessing an appropriate price at which to tender, and hopefully contribute to providing a sufficiently broad market for the commencement of dealings.

Keith Tunstall,
39 Grove Street,
Leamington Spa,
Warwicks.

Workers

From Mr P. Mitchell

Sir,—Having been on holiday it was only yesterday that I read Mr G. Turner's letter of October 8. Mr Turner very neatly diverts from the point that I was trying to make. I do realise that workers have lost overtime, shift work, and have lost jobs.

The unions did an excellent job for the workers after the last war, but somewhere along the line greed took over and extortionate demands were made and given. This situation became worse as time went on and consequently certainly contributed to the present unemployment figures.

Vauxhall was a company which had made no profits for a considerable number of years. As soon as profits were seen to be on the horizon a demand for a 25 per cent increase was made in order to share in the new prosperity of the company, it was said. Now if a 25 per cent increase in wages at this or any other time is not greed, then what is it?

With regard to workers sharing in the profits of their company, which they normally do in any case, then as night follows day they must also share in the losses and even in a profit fall.

If we take the case where the workers do demand a reduction in wages when the company makes a loss, then perhaps it would save the jobs of some of their colleagues. It has been done, and here we have a better motive than greed.

Peter G. Mitchell.
Southside,
Fife Street,
Keith,
Banffshire.

Late delivery

From Mrs G. D. Cowan.

Sir,—I find Mrs M. A. Swain's letter (Slower than Dick Turpin—October 11) amazing.

Why does she automatically assume that the late arrival of her share application is the fault of British Rail? Did she check with the Post Office? Experience shows that a first-class stamp does not necessarily mean a first-class service, and the fault could lie nearer home than on Inter-City.

G. D. Cowan.
58 Deynecourt Gardens,
Wanstead, E11.

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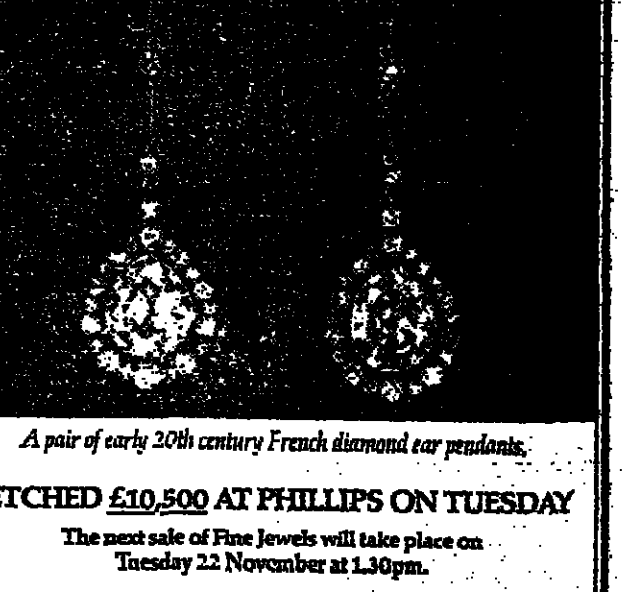

A pair of early 20th century French diamond ear pendants.

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…, our Architecture Correspondent, gives a personal assessment of…

The motorists' friend drives into trouble

By Brendan Keenan in Dublin

A LETTER to an Irish Sunday newspaper over 30 years ago began the series of events which created one of the most remarkable financial groups in Ireland and led, this week to emergency legislation to stave off the danger of the collapse of the Irish car insurance market, amid reports that it had under-provided for claims worth around I£160m (£128m).

The story centres around the personality of Mr Joe Moore, 74-year-old chairman and founder of the Private Motorists Protection Association (PMPA), whose affairs were taken over by a Government-appointed administrator on Thursday.

Mr Moore was a civil servant of 20 years standing when he read that newspaper letter in 1951. The writer complained that the Irish motorist got a raw deal from the—mainly British-based — insurance companies, with high premiums and poor bonuses.

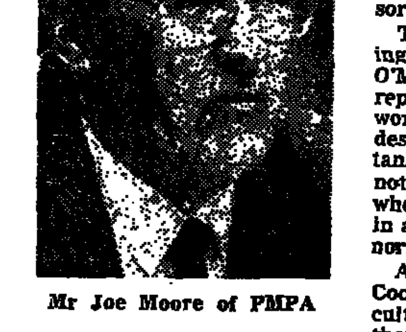
Such sentiments struck a chord in Mr Moore. He is intensely nationalistic and has a strong belief in the virtues of the simple man against the smooth operators of business and the professions. Such attitudes, may have made him somewhat suspicious of the advice of accountants, bankers, brokers and civil servants. In a famous remark, he once even described the former Minister for Commerce, Mr Desmond O'Malley, publicly as "a city slicker."

Mr Moore was not, however, among the original band of disgruntled motorists who formed a "protection association" to try to get a better deal from the insurance companies. He joined the Association a year later and became editor of a magazine which it published. The crucial change, which led to this week's extraordinary developments, came when he decided to transform the Protection Association into an insurance company.

In a sense, the alarm bells have been ringing ever since — indeed the civil service held up PMPA's initial application in 1967 until it put up £170,000 of capital. Other companies worried meanwhile about a group with such an unusual pedigree. Brokers and many bank managers never forgave PMPA for doing its business directly with the public.

The new company hit the Irish motor insurance market like a whirlwind. Its image as a friend of the motorist, and attractive gestures such as its promise never to refuse insurance to a qualified driver, gave it 70 per cent of the market by the mid-1970s.

But car insurance is a risky business—and it is more unprofitable in Ireland than in many other countries. Not only is the Irish accident rate relatively high, but the system of



Mr Joe Moore of PMPA

jury awards for damages means that awards tend to be much higher than in Britain.

Another problem is uninsured drivers who, according to some estimates number up to 20 per cent of all drivers.

The conventional answer to the risks of car insurance is to cover the underwriting losses from investment income handled by professional managers. Mr Moore chose an unconventional route. In retrospect the troubles of the group—Mr Moore insists that it is not insolvent—stem from these decisions. PMPA chose direct investment and management, in garages, property, publishing and retail stores, to name just some of its subsidiary operations.

The strategy began to go wrong in the more difficult trading climate of the late 1970s, when many of the subsidiaries started losing money. As PMPA premiums increased, Mr Moore began to lose business. This week's figures in the High Court showed that PMPA now has only around a 33 per cent share of the market.

The Irish Department of Trade and Commerce appears first to have become seriously alarmed after 1978, when a change in PMPA's accounting practices meant the company was no longer revising estimates of claims outstanding on an individual basis but instead publishing only a global estimate for outstanding claims. It was the first question mark over PMPA's estimates on claims. The government now claims that these were under-provided by I£160m in the last two years alone.

In 1982 Mr O'Malley asked consultants Coopers and Lybrands to prepare a report on PMPA. He also sounded out other insurance companies about the possibility of forming a consortium to takeover PMPA.

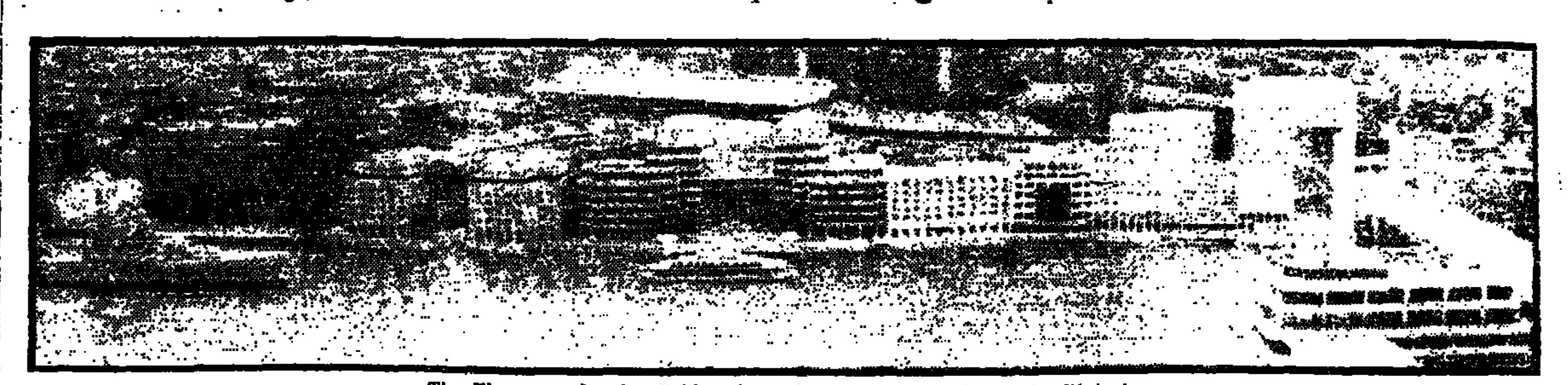
There were reports of bruising private encounters with Mr O'Malley—both men have a reputation for not mincing their words. At one point Mr Moore described the Minister as "a cantankerous gnat." Mr O'Malley did not respond until this week when he attacked the company in a speech which electrified the normally dull Dail (Parliament).

According to Mr O'Malley, Coopers and Lybrand had difficulty in getting the information they required. It was 14 months before they reported by which time the Minister was Mr Frank Cluskey, a former leader of the Irish Labour Party, which is now junior partner in the ruling coalition.

Mr Cluskey was "shocked" by what he read. He commissioned a second report from London specialists, Tillinghast Nelson and Warren. They broadly confirmed the earlier findings and the Government secretly prepared its emergency legislation to enable it effectively to take over PMPA.

The company had to be supported to protect its 400,000 policyholders. A special fund set up under government legislation in 1964 to cover defaults turns out to have had hardly any money in it and is being beefed up to a maximum I£10m by a 2 per cent levy on all non-life premiums.

Such a sum appears paltry set beside the problems facing the Provisional Administrator, Mr Kevin Kelly of Coopers and Lybrands. PMPA has, on paper, assets worth I£130m but it is doubtful if many of these can be converted into ready cash to cover underwriting losses.



The Thames at London Bridge: how the proposed development will look

The great South Bank controversy

THE BIGGEST property development in Europe, and the largest single commercial re-development in London since the Great Fire of 1666, was unveiled this week.

The site for this massive re-building of the fabric of London lies along the South Bank of the Thames between London Bridge and Tower Bridge. Twenty-four acres of land—formerly Hay's Wharf—will be transformed by the St Martin's Property Corporation and their architects into a new commercial empire.

The scale of the operation and its effect on the quality of life in South London make this one of the most controversial schemes since the development boom of the 1960s.

A lengthy public inquiry was held in 1981 into various outline proposals for the development of the site—largely office buildings—which were put forward by St Martins.

But Mr Michael Heseltine, the then Environment Secretary turned down most of the office building proposals. He said his prime concern was to see that any development carried out was "of high quality architecture to match the importance of the area, taking due account of its position between London and Tower Bridges, its closeness to Southwark Cathedral and the impact the development will have on the environs of the Tower of London."

He was optimistic that "it would be possible to formulate quickly revised proposals which will be worthy of the importance of the area," but, significantly, he did not suggest an architectural competition for this.

Mr Heseltine's sensitivity to the importance of the area and his general concern to raise architectural standards along the Thames does not seem to have had very much effect on the proposals revealed this week.

Mr Patrick Jenkin, the present Environment Secretary, has given permission for the first phase of a new St. Martin's development scheme, which can hardly be called architecturally distinguished.

Indeed, so anxious is Mr Jenkin to see something happening on the site, which since 1980 has been part of the area under the control of the London Docklands Development Corporation, that he has now issued a special development order which rules out any further public inquiries. There is also no need under this procedure for the developer to make his plans public.

To date the only display of the proposals is a lavish marketing model which at present is only to be available for potential clients. A large slice of London will be changed in major ways with no further opportunity of public comment.

The Royal Fine Art Commission, an official architectural watchdog, has not yet examined in detail all the proposals. But its secretary, Mr Sherban Cantacuzino, told me that he intended to push hard to improve what he called the generally low quality of most of the new proposals.

The scheme presents Londoners with another wall of offices, slightly relieved from total mediocrity by the inclusion of some renovated older buildings.

Looking at the individual new buildings from the upstream end of the site, the development begins with a pair of office towers adjoining London Bridge. One is 12 storeys high and the other nine, the two being linked by a five storey atrium under a dramatically sloping roof of glass and steel. This design is by the John S. Bonnington Partnership.

The developers see this tower block as a "natural gateway" to a riverside walk along the length of the site. By the highest architectural standards it is a very ordinary building that borrows a few clichés from more successful offices in the U.S.

Next door to the twin towers is a listed and protected 1930s building—the excellent Goodhart-Rendell's St Olaf House, an inspired example of the Art Deco style. None of the new neighbours to this fine building has learned any lessons from their proximity.

Chamberlains Wharf is the next downstream building—a good, standard riverside wharf building which is to be retained. It is being converted into a private hospital for the Devonshire Hospitals Group.

The developers describe the building next to the hospital as the centrepiece of phase 1. This is called Cottons—after a predecessor on the site — and is designed by a firm with considerable experience in the Southwark area, Michael Twigg, Brown and Partners.

It is a "U"-shaped buildi with the now fashionable hi central atrium—and is exte sively glazed. It is hard to fi anything that distinguishes tl building from any of the hu dreds of dull office blocks th now cover London.

The last major riversi building in the first phase an adaptation of an 1857 buil ing, Hay's Dock, into the ne Hay's Galleria. Unlike its nan sake in Milan this glazed stre does not really go anywhe It runs across the site but enclosed on three sides by offic built behind the Victori facades. There will be attempt to generate a "Cove Garden" atmosphere of sho and cafe's in converted mark buildings. It looks unlikely th this part of South London w generate the kinds of leisu activities that thrive in the are around Covent Garden.

The remainder of this lar site will be redeveloped on sim lar lines once the success of th first phase has been establishe It will include two hundre flats and a three-acre park an a continuation of the riversid walk.

This scheme is redeemed b the refurbishment of the oldc buildings that are to b retained. It is a sad reflectio on the architectural professio that the standard of the ne buildings is so unimaginativ Would it have been more pos tive and creative to have com pletely cleared the site and buil a much more cohesive resider tial and working community?

Should there have been a architectural competition?

The present scheme is un worthy of such an importan London site. There are goo architects working in this coun try who would have leapt at th opportunity to design a river side city that could rival Venic

It is sad, that after all th talk, delays and frustrations another opportunity to enhanc London has been lost.

THE FINANCIAL GAMBLE

THE BIGGEST question of all surrounding the plan to breathe new life into 23 acres of riverside dereliction and decay is whether London Bridge City will prove to be a runaway success or a spectacular case of commercial suicide.

St Martins Group, the Kuwaiti-owned developers, are well aware of the doubts surrounding their £350m initiative and of the critics who will derive some satisfaction if the project is a failure. Those doubts, needless to say, are not shared by St Martins.

In the tradition of other strategic, riverside sites—none of which are actually being developed, despite long battles to win planning permission—the principal opposition has stemmed from sections of the local community. Local residents argue that such important sites should be devoted to badly-needed housing.

St Martins says the call for acres of low-cost housing, parks and community facilities is naive and unviable. It claims that an estimated 10m square feet of empty office space in the Greater London area will not prevent its own scheme—2m square feet in two phases—from being successful.

Peter Kershaw of St Martins emphasises that "this particular stretch of the riverside has been a commercial centre since Roman times and it is in commercial redevelopment that its future lies. It has cost us over £20m simply to acquire this site and to talk of putting up houses where land values are among the highest in the country is a nonsense."

Although rates will be broadly comparable with those on the north bank, rents—at between £14 a sq ft and £18 a sq ft—will be well below those in the City, where they have now touched £30 a sq ft. Just as important, St Martins says it will be creating accommodation of a standard simply not available elsewhere and enclosing it in an environment with which cramped City streets cannot compete.

St Martins has enormous resources behind it and is prepared to take the sort of longer-term view which many developers could not and would not dare contemplate. Completion of phase one is nearly three years away. What happens during that period will be crucial not only for London Bridge City but for the whole south bank.

MICHAEL CASSELL

Weekend Brief

From Baker Street to Fleet Street

If Clive Thornton's decision to accept the job of executive chairman of the Mirror Group has left him with mixed feelings, the reactions of those he leaves behind in the building society world will be no less varied.

Clive Thornton

In the five years which he has been at the helm of the Abbey National in Baker Street, the country's second largest building society, he has upset as many people as he has inspired, something which provokes little concern and more than a hint of satisfaction in the man himself. "Building societies were in need of change and, in the past five years, they have certainly done that."

His appointment to a Fleet Street hot seat was, ironically enough, confirmed on the very day the building societies spelled out the end of an interest rate cartel which has held them together through thick and thin but which could not stand up to the man from the Abbey National.

Thornton's characteristically single-minded decision to withdraw from the cartel has brought about its downfall. Competition, he emphasises, is a vital ingredient in commercial success, a message of which his new colleagues are only too keenly aware.

His struggle to provide what he regards as crucial reforms in building society operations and in their thinking has been the stuff of endless newspaper headlines. The Press has been kind to Thornton and now he will become part of it.

He has flourished in the fighting and reckons the Building Societies Association—battleground for many of his campaigns—has a remarkable ability "to combine genuine abuse with genuine affection." Thornton has had his fair share of both.

There are regrets at leaving behind the world he has helped to revolutionise and many of the running projects which he has masterminded. The Abbey's efforts at inner-city regeneration have been gaining momentum—a big joint venture with Hackney council should soon be underway—the society's new Baker Street headquarters are nearing completion, there is a new administrative centre in Milton Keynes and the very latest in new technology is transforming work patterns in 700 branches.

New technology is just one of the challenges which awaits him in his new role. He sees the biggest challenge, however, as the continuing commercial success of a group of newspapers offering an alternative viewpoint. "Freedom of the Press means not only freedom to print what newspapers want but freedom of choice in what people read."

Thornton, who confesses to knowing little about newspapers and says he has no allegiance to any political party, claims he was startled when asked in July if he wanted the job.

"When I got the Abbey job, there was widespread shock. Now people are asking what I can bring to the Mirror Group and why on earth I should want to leave what has been a comparatively cosy world for one in which unrest and bloodymindedness often have the upperhand.

"I have taken up the challenge because the health of Mirror Group newspapers matters deeply. Whether I succeed will ultimately depend on the attitudes of other people. At Abbey National, my job would have been impossible without the full support of management, staff and the unions." Mr Thornton has yet to find out whether Fleet Street will prove quite so co-operative.

Bones to pick from Mozambique

Spare a thought for the poor man from Metal Box, who innocently attended a meeting on trade and investment with Mozambique, during the official visit of President Samora Machel this week.

All went well until a question came up about British trade relations, and the President started to tell the story of 250 tons of rotting tomatoes. "Where is Metal Box?" he demanded, and a nervous hand was raised. "I have a bone to pick with you."

The hapless representative then had to sit through a story of how his company had stopped supplying solder to an agricultural complex in the province of Gaza. "Two hundred and fifty tons of tomatoes were rotting because of lack of solder for the tins," the President declared. "They said it was Metal Box."

He sent off personal telegrams. He offered to send an aircraft specially to collect the supplies. But he never received a reply, he said. (And no one mentioned how long it had been since Metal Box was last paid for a shipment.)

Then, with a big smile, the President announced that the whole episode was over. "We are now good friends again," he said.

It was not exactly the sort of treatment that a sober business audience expects of a visiting head of state, even if he is a Marxist, and a former guerrilla commander. But President Machel has shown throughout his tour that he delights in being unpredictable, irreverent and gently mocking, all in the best of good humour.

His first engagement was lunch at Buckingham Palace, where by all accounts he was deeply impressed by the Queen and her knowledge of Africa. "She has very progressive views," according to one close associate. "She was also very well informed, with an excellent analysis of the situation."

As for Mrs Thatcher, President Machel has always had a sneaking admiration for her. He was the only African head of state to send his personal envoy to congratulate her after the Zimbabwe settlement.

Their tete-a-tete discussion, before being joined by their Ministers, lasted 25 minutes longer than planned, unhindered by their widely divergent ideologies, and the President said her attitude to the problems of southern Africa was "very positive."

He was nonetheless back to gentle mockery when he had breakfast with a handful of journalists. On the question of getting military equipment and training from the West, he was certainly interested in arms.

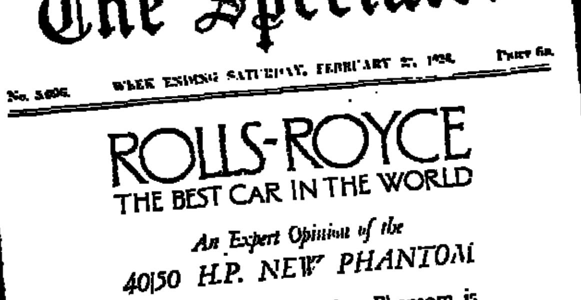
"You British say you can give us clothes, uniforms and boots, possibly even Land Rovers. But no arms. Perhaps you think there is something magic about the British uniform. All we have to do is wear it, and it will strike fear into our enemies . . .

"As for the Americans, all they will offer us is food. But then we will get too fat for our British uniforms. And we will be bigger targets for our enemies. How do you expect us to win the war?"

Spectacular events at the Spectator

AS DAME Edna Everage says, "those periwigged possums, Addison and Steele" will be "spinning in their caskets." Yesterday, The Spectator went pop. Not Bingo or nude calendars, of course, but a colour front page shrieking "Win a 1934 Daimler" below a picture of Dame Edna reclining over the handsome vehicle's bonnet.

The car belongs to the magazine's owner, Yorkshire-born oilman Algy Cluff and he bought it from a former Lord Lyon of Scotland, which makes it just about the most up-market prize ever offered in a newspaper competition.



The Spectator 1926 . . . even then featuring up-market cars

This circulation-hunting stunt is another attempt by Britain's oldest weekly magazine—an unbroken run of publication since 1828 — to revitalise its finances. Although marketing director James Knox says that recent stories about financial difficulties like the famous report of Mark Twain's death, are exaggerated.

But The Spectator's excursion into the competition market reflects the battle for survival of the weekend review. The New Statesmen has problems, too. Once, if you wanted to know what was going on along the political spectrum you took the Statesman and The Spectator. Now, according to a Spectator-sponsored Mori poll, only 12 per cent of its readers take the Statesman as well, but 52 per cent buy Private Eye.

The Daimler competition is typically Spectator, a question each week set by people such as Malcolm Muggeridge, Kingsley Amis, Jo Grimond, Alec Guinness, and, of course, Dame Edna (Barry Humphries)—the names roll off the tongue like tasting a first edition of one's ideal Who's Who. The first question, from Muggeridge, involves William Blake and television, which shows just how good you've got to be.

Cluff became The Spectator's eighth proprietor two years ago. He bought it from Henry Keswick and last year the magazine was launched on the competition trail by offering one of Cluff's art treasures as first prize in a Treasure Hunt competition. Knox says this consolidated 3,000 new readers.

James Knox says the magazine's circulation has now reached 19,700 from about 17,000 a year ago, an increase of about 14 per cent.

Last year The Spectator lost £300,000. This year the loss is expected to be about £50,000.

People at Doughty Street under Alexander Chancellor, the editor Cluff appointed, boast of Graham Green's verdict on The Spectator—"the best written weekly in the English Language"—and believe that it will survive and prosper.

Algy Cluff has always said that he hopes someday to establish a British version of the New Yorker. Could The Spectator ever be this? High hopes rest on the Daimler competition—and incidentally, according to a vintage car expert, the Daimler, in perfect condition coupled with its pedigree, is worth at least £4,000.

Contributors:

Michael Cassell

Alan Forrest

Quentin Peel

BUILDING SOCIETY RATES

	Share a/cs %	Sub'pn shares %	Others %	
Abbey National	7.25	8.25	9.00	2-year Bondshare, 90 days' notice and penalty
			8.25	High Option, 90 days' notice. No penalty
			8.25	7 days' notice. No interest penalty
Aid to Thrift	8.50	—	—	
Alliance	7.25	8.25	9.00	2 years, 3 months' notice/penalty
Anglia	7.25	8.25	8.75	3-year Bond. No notice. 3 months' penalty
			8.50	Capital Share. No notice. 1 month's penalty
Birmingham and Bridgwater	7.25	8.75	8.25	Extra Interest Shares, with mthly. inc. opt.
Bradford and Bingley	7.25	8.25	8.75	3 months' notice with Regular Income
			8.25	1 month's notice or on demand
			8.75	7 days' notice
Britannia	7.25	8.25	8.85	2-year Term Bond. 8.50 Option Bond
Cardiff	8.00	8.75	—	
	*8.50	—	—	* Share account balance £10,000 and over
Catholic	7.50	8.50	8.50	6-month deposits. Monthly income
Century (Edinburgh)	7.75	—	8.75/9.50	Fixed 2/3 years. Details supplied
Chelsea	7.25	8.25	8.75	Immed. withdrawal (int. pen.) or 1 mth.'s not.
Cheltenham and Gloucester	7.25	8.25	8.25	Gold account £1,000 + no notice no penalties. Monthly interest. £5,000 minimum, 8.57 if compounded
Citizens Regency	7.50	9.00	8.40	plus a/c no pen. Dble. option 8.50
City of London (The)	7.50	8.25	8.25	4 months' notice—no penalty
Derbyshire	7.25	8.50	9.00	8.25 1 mth.'s not., 7.75-8.60 3 months' notice
Greenwich	7.25	8.50	8.50	(max.) at 28 days' notice/penalty
Guardian	7.50	—	8.75	3 months, £1,000 minimum
Halifax	7.25	8.25	8.25	Xtra Interest, 1 month's notice, no penalty
			8.50	Xtra Interest Plus, 3 months' notice no penalty
			9.00	High Growth Bond, 3 months' notice/penalty
Heart of England	7.25	8.50	9.00	2 years fixed 1.75 over shares
Hemel Hempstead	7.25	8.50	9.25	2 years, 8.75 3 years, 8.50 3 months
Hendon	8.25	—	8.75	3 months
Lambeth	7.50	8.75	9.10	28 days, plus loss of interest, 8.25 3 mths.
Leamington Spa	7.35	—	8.50	Top Ten. 8.75 Lion Share
Leeds and Holbeck	7.25	9.00	9.00	2 years with monthly int. 8.50 1 month's pen.
Leeds Permanent	7.25	8.25	8.50	HRAS £500 min. 9.00 2 yrs. £1,000 min.
Leicester	7.25	8.25	9.05	3 years, 8.25 3 months
London and Grosvenor	7.75	9.50	8.25	High Yield (1 month)
London Permanent	7.75	—	9.00	6 months' notice or 2 mths.' notice + penalty
Midshires	7.25	8.25	9.00	2-year Term Share, £1,000 minimum
Mornington	8.50	8.50	—	
National Counties	7.55	8.55	9.10	28 days' notice £500 minimum
National and Provincial	7.25	8.25	9.00	3 m. notice, 8.50 1 m. notice + monthly income
Nationwide	7.25	8.25	8.75	Capital Bonds, 3 yrs., £500 min. wdl. with 90 days' loss or notice. Bonus account 8.25, £500 minimum withdwl. with 28 days' loss or notice
Newcastle	7.25	8.50	8.75	4 yrs., 9.00 2 yrs., 8.25 28 days' notice, or on demand with penalty, 8.50 90 days' notice, or on demand with penalty
New Cross	8.25	—	8.25-8.75	on share accounts, depending on minimum balance over 6 months
Northern Rock	7.25	8.50	9.00	Moneyspinner 3 months' notice + penalty
Norwich	7.25	8.50	8.50	City Account, immed. withdls. with no penalty
Paddington	7.75	9.25	8.75	1 mth.'s not., or 1 mth.'s int. loss on sums wdn.
Peckham	8.00	—	8.25	1 month, 9.00 3 month's notice (no penalty)
Portman	7.25	8.75	8.75	Two months' notice, 8.25 no notice
Portsmouth	7.55	9.05	9.40	5 years, 9.00 6 months, 8.50 1 month
Property Owners	7.75	9.00	8.75	28 days, 8.75 3 months, 8.50 monthly income
Scarborough	—	7.25	8.50	8.25 Money Care and Free Life Insurance
Skipton	7.25	8.50	—	Super 8.25 1 mth. notice. Silver 8.6 3 yrs.
Stroud	7.25	8.50	8.85	3 months, 8.25 1 month no penalty with notice
Sussex County	7.25	9.00	8.00	7-day County share account
Sussex Mutual	7.50	9.00	7.75-9.00	
Thrift	8.15	—	9.15	3 years' term. Other accounts available
Town and Country	7.25	8.25	9.00	2 yrs. ½-yrly. int. Monthly income wdl. facility
			8.50	28 days' notice or imm. withdwl. with penalty
Wessex	8.30	—	—	
Woolwich	7.25	8.25	8.25	Higher Interest shares, imm. withdrawal, 28 days' interest loss
			8.50	Special Interest Shares, imm. withdrawal, 90 days' interest loss
			8.50	Guaranteed Bonus Shares 2 years' guar. prem.
Yorkshire	7.25	8.25	8.50	Diamond Key. 60 days' penalty or 2 months' notice without penalty

All these rates are after basic rate tax liability has been settled on behalf of the investor.

Reorganisation benefits put Uniflex in profit

AINLY AS a result of the reIganisation in 1982, Uniflex oldings, furniture maker, has turned to profit in the half ar ended June 30 1983. From rnover of £15.48m, against 4.38m, it has made a surplus £102,000 compared with a loss £552,000.

The improvement was achieved gainst a background of continued low margins and minimal rowth in the furniture market s a whole, the directors state. hey do not expect to recomnend a dividend until the reovery is seen to have a perianent basis. The last payment as in July 1980.

Interest charges this time are educed from £386,000 to 279,000. No tax charge is exlected for the year as sufficient osses are available from prior eriods to relieve any liability. n the first half last year there ere minority losses of £4,000 nd extraordinary debits of 590,000. Earnings are 4.2p (loss 2.56p).

The group began to incur osses in 1980. In that year the ss came to £441,000; the following year it had reached £658,000 nd in 1982 was almost £1m.

Mr M. M. Meredith joined the niflex board on August 1. Mr M. D. Lazarus resigned.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Goodman Brothers		0.75	Nov. 25	Nil	0.75	Nil
Lake View Invest.	int.	1.55	Dec. 1	1.55	—	4.15
Stanley Miller	int.	0.6	Nov. 26	0.6	—	1.6
N. Sea Assets		3	Dec. 19	2.8	3	2.8
William Cook	int.	1	Dec. 8	0.2	—	1.5

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. § On capital increased by rights and/or acquisition. ‡ USM stock.

● comment

Hillsdown Holdings seems to have done it again. The turnround at Uniflex—which is 81 per cent owned by the private foods conglomerate—shows that Hillsdown's ability to catch apparently lame ducks and teach them to fly again continues to pay off. The furniture group's shares rose 2p to 39p on the results. A host of such acquisitions has seen Hillsdown's profits grow since 1970 to reach £10m on a turnover of nearly £450m last year. It would not be surprising to see Uniflex attempt the same acquisitive trick now that Malcolm Meredith is on the board, though his takeover skills met a less happy fate at PMA two years ago. Still, those were thinner times and PMA did not have a Hillsdown behind it. However, the growth Hillsdown can squeeze out of mature industries like furniture and food must ultimately be limited by the acquisition opportunities available to it. And Hillsdown's buying power would no doubt be greatly extended if it made a public offering of some of its own paper. So Uniflex's minority shareholders would do well to sit tight.

Security Tag in 1m share offering

By Terry Byland in New York and Dominic Lawson

Security Tag Systems Inc, the Florida-based manufacturer of electronic price tags, whose shares are traded in the U.S. and in London, under Rule 163 (4) (a), plans an issue of 1m shares, half of which are to be offered in the UK.

The shares will be offered at close to the market price, which was $5¾ yesterday on the U.S. NASDAQ over-the-counter market. That valued the whole company at $58.8m, even though it has not yet made a profit.

Last year Security Tag made a loss of $625,000 on revenues of $524,000, after research and development expenditure of about $1m. However, Mr John Dallas, a director of both Security Tag and its UK financial advisors Energy Finance and General Trust, said yesterday "we hope to make a profit in the final quarter of the current year to March 1984."

Mr Dallas said that Security Tag has just filed its offer documents with the U.S. Security and Exchange Commission. He added: "It will probably take them about six weeks before they can OK it."

Energy Finance will place privately with UK institutions 500,000 shares, all of which will be new shares. The UK-quoted company Automated Security holds about 10 per cent of Security Tag's equity.

The proceeds of the issue will be applied to further R and D spending, and on production and marketing of the company's electronic price tags, which are designed for use in supermarkets and other retail outlets.

In London, Security Tag's shares closed down 20p, at 400p. The shares have been as high as 830p this year, but recently shares in security companies have been under a cloud on the UK market.

U.S. parent 'may sell its 74% stake in Prestige'

BY WILLIAM DAWKINS

THE U.S. MAJORITY owner of Prestige may sell its 74 per cent stake in the group—which manufactures and sells pressure cookers and domestic housewares.

Prestige yesterday released a statement by Mr John Cullingan, chairman of American Home Products (AHP), the largest retailer of over the counter medicines in the U.S., in which he said: "We are constantly evaluating the potential contribution of each of our businesses.

"A recent evaluation of our houseware operations indicates that these operations, as presently constituted, may not meet our standards for growth over the long term.

"Accordingly, we are now investigating potential alternatives, including the possible sales of the operations."

Mr Culligan's remarks were addressed to a meeting of New York financial analysts on Tuesday. Mr Andrew Carrington, Prestige's company secretary, said the group decided to release the statement in the UK "because we could not let a false market prevail in the shares."

Prestige had received no further details from AHP on the possible sale, and declined to comment on the three-day delay in releasing Mr Culligan's statement.

Yesterday, Prestige's shares rose 25p to 210p, where Prestige is capitalised at £38.2m.

The chief interests of AHP, which made a profit of $464.11m (£310,000 at current rates) in the first nine months of this year, are in food products, prescription drugs and medicines.

Prestige, one of the largest manufacturers of domestic housewares outside the U.S., has had a dull profits record until recently. In 1982, it made £5.45m before tax on a turnover of £55.8m, only a marginal improvement on its performance in 1976.

But its performance seemed to improve markedly this year, when it announced a 35 per cent increase in pre-tax profits to £3.18m for the six months to June 30.

On announcing its interim figures, Prestige made the unusual move of declaring an extraordinary payment of 27.5p a share, representing a total of £5m, of which £3.7m would have been paid to AHP.

Prestige maintained that it had been deliberately restrained over its dividend policy in earlier years when UK consumer spending was at more depressed levels.

It said the payout was a demonstration of confidence in the future resilience of its markets and regular distributions would be kept at more generous levels than in the past.

However, the payment also gave rise to speculation in the City that it could reflect a change in AHP's policy towards Prestige.

Royal Worcester forecasts dividend rise

By Ray Maughan

Royal Worcester, the Spode china, industrial ceramics and electronics group, yesterday presented its case for continued independence in the face of the near £20m equity bid from Crystalate.

The message the defence is attempting to put across to shareholders is, in essence, the familiar story from many boards under bid pressure. Profits were down last year, but a combination of economic recovery, sustained capital investment and severe cost-cutting has put profits back on the right path.

Royal Worcester is confident of the prospects for its Spode business—valued at some 200p per share on a net tangible basis—which "is experiencing a strong resurgence in sales and at the same time is reaping the benefits of the actions taken by management, resulting in a healthy improvement in margins."

Spode, however, is a heavily seasonal basis and, since the year will be dominated by the results of pre-Christmas trading, the group is as yet making no attempt to predict 1983 profits. Forecasting is limited to a promise of an increased final dividend which would be sufficient to lift the total distribution by "at least one-third over 1982." Income, on bid acceptance, would therefore slip "by at least 16 per cent."

The industrial ceramics business, worth some 15p per share by the board's calculation, should enjoy "a significant improvement in the current year" while a management reorganisation of Welwyn Electronics, the activity Crystalate intends to retain given control, coupled with high capital spending, are keeping the group in the forefront of expanding markets.

Crystalate, the electronics component manufacturer, has said from the start that it is the Welwyn business which forms the core of its interest and would consider selling the Spode operations. It says that it has been approached by "umpteen different people" for the china divisions, but has been careful not to solicit any buyers on its own behalf."

The bidder stresses the complementary nature of the protagonists' electronics divisions and says that their very differences make a virtue rather than a vice of the proposed merger.

The defence, though, worries about the future value of the paper on offer—particularly since there is as yet no cash alternative on the table.

Royal Worcester notes that the value of Crystalate's shares has fallen since the publication of the formal offer documents and also points to "massive increase in the volume of its paper in issue" Full conversion of existing and new loan stock would represent "an increase of nearly 90 per cent in the present capital"

The offer reaches its first closing date next Friday and, with only 8 per cent control so far, the market is widely expecting Crystalate to extend into the next phase of the bid

Further upturn at NatWest U.S.

BY WILLIAM HALL IN NEW YORK

National Westminster Bank U.S., the New York arm of National Westminster, has continued its strong earnings recovery with net income in the third quarter ending September 30, 1983, emerging 58 per cent higher at $7.4m.

For the first nine months of the year net income rose by 55 per cent to $19.6m, although the total balance sheet at the end of September showed only a 3 per cent increase to $7.2bn.

Mr William Knowles, the bank's chief executive, says that the improvement in net income for both the nine momths total and the third quarter was due to "significant increases in net interest income and other income, ad a decline in net securities losses."

In the latest three month period the group's securities losses were minimal compared with $4.9m last year. The provision for loan losses also fell from $7m in the corresponding quarter of 1982 to $5.5m in the latest quarter.

However the bank's tax charge in the quarter jumped from $1m to $6.5m which primarily reflected the diminishing impact of the bank's tax exempt portfolio.

Net interest income rose 2 per cent to $59.6m in the latest quarter and other income rose 30.7 per cent to $14.9m. Operating expenses were 5 per cent up at $55m.

Outstanding loans increased 5 per cent to $4.2bn in the quarter and equity capital rose 6.7 per cent to $391.3m.

More dissent at Guinness Peat

Mr Robert Kissin, a director of Guinness Peat Group, the insurance broking and merchant banking company, yesterday formally split with the board over its decision to acquire the Moorside Trust.

Plans by Guinness to raise £20m by buying the Moorside investment trust have already provoked the resignation of another director. Dr Georgio Rossi, a non-executive director of the group and a director of Compagnie de l'Occident pour la Finance et l'Industrie (COFI), a Swiss holding company with 8.23 per cent of Peat's shares. He resigned over the terms of the bid.

In his statement yesterday Mr Robert Kissin, son of the group's founder Lord Kissin, said that "the result of the proposed transaction with Moorside is a dilution of both earnings per share and assets per share and I consider it to be against the interests of existing shareholders."

Like Dr Rossi, Mr Kissin feels that the 40p share price at which Guinness's shares have been underwritten are too low. "I believe that now is not therefore the appropriate time for the group to issue shares because the fundamental value of the company and its earnings potential are heavily discounted in the share price."

Guinness plans to sell off the assets of Moorside once the takeover is completed in an operation which effectively amounts to a one-for three rights issue. A formal rights issue is not possible since one was made in March.

In its circulars recommending the offer for Moorside, Guinness says that in January 1984 it will publish accounts for the 17 month period to its new accounting date, September 30, 1983. The group expects a profit of at least £1.5m after tax, minorities and transfers to inner reserves of banking subsidiaries for the 11 months from the end of the first interim period to September 30 1983, it states.

Guinness says that the acquisition of Moorside will increase the group's net tangible assets to about £60m and following disposal of the trust's investment portfolio, reduce borrowings to around £20m.

Bluemel losses lower midway

ALTHOUGH REDUCED on the comparative six months, there were still losses at Bluemel Bros. for the period ended April 2 1983, reflecting the problems the company was encountering in its trading activities.

On turnover little changed at £2.18m (£2.08m) pre-tax losses amounted to £173,323, against £259,992 last time. There is no tax charge, but after extraordinary debits of £74,921 (nil) the deficit for the first half is left virtually the same at £248,244.

Directors explain that the company had been trying, albeit unsuccessfully, to restore profitability throughout all continuing businesses.

Consequent upon the company's successful £0.63m rights issue, last February, and the arrangement of the management contract with Jenks and Cattell, extensive changes have been made in Bluemel's structure and activities in order to restore profitability in those areas which are believed to be viable.

To bring this about, directors disposed of the loss-making steering wheel and registration plate businesses and the cycle products and accessories business has been extensively rationalised. New management has been engaged to re-invigorate that continuing business.

They add, however, that the Ray Engineering Company has been successful and continues to generate profits.

The directors warn that inevitably, the full 1982-83 year "must bear heavy costs associated with the substantial changes effected." Therefore, continuing losses, for the 12 months ended September 30 last, are inevitable, they state.

For the whole of last year Bluemel incurred taxable losses of £394,687. There is again no dividend—the last dividend paid was in April 1981.

Mr R. W. Aitken succeeded Mr R. L. Berger as chairman on October 3.

William Cook sustaining recovery trend

Mr A. J. Cook, chairman, of William Cook & Sons (Sheffield) says that the company's performance continued to be "most satisfactory" during the six months to September 30 1983.

Profits at the taxable level for the period emerged at £248,000 compared with a depressed £92,000, and following the increase in last year's final dividend the interim is lifted fivefold to 1p.

For the preceding period a recovery in profits from £46,000 to £252,000 resulted in an improved full year total, to March 31, of £344,000 against £178,000.

Two years ago the company undertook a modernisation programme which broadened its range of products and the variety of steels that it could use.

The chairman says that further productivity improvements and additional expansion of its product range have been achieved. During the opening six months turnover of this steel castings concern expanded from £2.32m to £2.79m.

Mr Cook says that the company is still pursuing its policy of expansion and diversification.

Trading profits for the first half rose to £241,000, compared with £84,000, and the taxable result was struck after slightly lower interest receivable of £7,000 against £8,000.

First half earnings per 20p share, pre-extraordinary items, rose from 1.84p to 2.38p, but was after a tax charge this time of £129,000 (nil).

Redundancy and severance costs, making up the extraordinary debits, fell from £64,000 to £7,000 leaving an attributable surplus of £112,000 compared with £28,000.

Siebe applies pressure on Tecalemit

Siebe Gorman, the protective clothing and safety products group, has issued a sharp weekend reminder to shareholders in Tecalemit to accept the £15m cash and equity bid before the offer reaches its first closing date next Wednesday.

Shareholders in the garage equipment manufacturer are told that the interim profits just unveiled for the six months to September are seen by the bidder as a "disappointment." Excluding profits from property development, Tecalemit's profits of £372,000 are "a lot less than two years ago."

The incidence of property profits in the first half alone is sufficient to cut forecast full year results to £1.5m pre-tax which, says Siebe, values its offer at "over 20 times forecast fully taxed earnings from trading operations and excluding known property profits."

Don Brothers, Buist buys Scott and Robertson arm

Scott and Robertson has sold its subsidiary Tay Textiles—which manufactures intermediate bulk containers and extrudes and weaves polypropylene—to Don Brothers, Buist.

The consideration, payable in cash, will be related to the value of net assets according to an audited balance sheet to be prepared as at October 31, 1983, less £100,000.

It is estimated that the value of the net assets at that date will be about £350,000 and on this basis the consideration will be £250,000.

The audited accounts of Tay for year ended February 25 1983 disclosed trading losses before interest of £178,865.

The Scott and Robertson directors say the reduction in turnover resulting from the Tay disposal has been more than offset by two companies acquired on February 11 1983.

Internal management figures show that Tay has achieved a trading profit before interest in first six months of the current financial period.

Despite this improved profitability the Scott and Robertson directors say it is their firm belief that it is in the best interest of the company to proceed with this disposal, and that the interests of Tay and its employees are best served by its integration into a larger textile group.

The result of the disposal will be the release of the working capital required by Tay and the consequent improvement in Scott and Robertson's liquid position, the directors conclude.

Stanley Miller

Severe competition and hence pressure on margins faced by building contractor and civil engineer Stanley Miller in its home market of the north east of England caused it to slump from operating profits of £10,000 to losses of £82,000 in the first half of 1983.

However, overseas operations continued at a satisfactory level and after a rise in associate profits from £103,000 to £188,000 taxable profits slipped from £113,000 to £106,000.

Earnings per 10p share are given as 0.67p (1.86p) and the interim dividend is being maintained at 0.6p net. For 1982 a total of 1.6p was paid from pretax profits of £460,000 and stated earnings per share of 5.35p.

The directors say an increasing order book should improve the UK outlook but cannot have a material effect on turnover and profits before next year.

Tax took £66,000 (nil) leaving net profits of £40,000 (£113,000).

N. Sea Assets pays 3p

After much higher interest and expenses, pre-tax revenue of investment trust, North Sea Assets fell from £883,000 to £792,000 for the year ended September 30 1983 but the dividend is lifted to 3p, against 2.8p.

At halfway the pre-tax figure was £277,000 (£310,000).

Income for the year amounted to £1.59m, compared with £1.34m, but the charge for interest and expenses took £794,000 against £357,000 last time.

After tax, £354,000 (£412,000) revenue came through at £438,000 (£471,000) or 3.65p (3.93p) per 50p share.

The directors state that, for the first time, the company is fully invested, at a point when most forecasts indicate an improving environment for the oil and gas service industry after two difficult years.

Specifically, in the North Sea there are a large number of field development plans either approved or anticipated, which will mean a high level of activity for the service and support sectors over the next few years, they point out.

During the year a U.S. dollar loan was arranged in order to protect the company's overseas assets from currency movements.

At the year end net assets per share were given as 179.76p (194.25p).

Arnold G. Wilson

Mr Tony Richmond and Mr John Ridings, partners in Peat Marwick, are the joint receivers and managers of the Arnold G. Wilson Group, the Leeds-based BL dealer.

Their appointment follows the recent announcement that the directors were calling in a receiver because of financial difficulties and the uncertainty surrounding the continuity of the company's Austin Rover franchise.

The receivers have re-opened all the company's garages, other than the Wakefield operation, while the separate subsidiary, Arnold G. Wilson (Easingwold) which is not in receivership, continues to trade.

Elbief sales and orders up

Both sales and order books in the current financial year had shown significant increases at Elbief, handbag frames and leather goods maker, Mr S. Prais, the chairman told the annual meeting. In order to maintain business he said that prices were very competitive and margins fine.

As already known, sales for the year to the end of April 1983 slipped from £2.77m to £2.67m and pre-tax profits were lower at £302,600 (£363,200). Export markets had contracted but home markets remained buoyant. A final of 1p maintained a total dividend of 1.385p net.

The last financial year had been difficult, said Mr Prais, but he was pleased to have maintained a reasonable profit level. He looked forward to the future with optimism.

Although turnover for the first five months of last year had fallen this trend had not continued with the result that the year finished on an "optimistic note."

During the year interest rates continued to fall and earnings from cash deposits were reduced. However, these resources were usefully employed, said Mr Prais, and earnings from this source were creditable.

Investment in new plant and machinery had continued. This was not confined only to the factory—a computer had been installed to take over many of the financial routines and it was intended to extend this facility into stock and sales/order processing areas.

Goodman payment

After a year's absence, Goodman Brothers is returning to the dividend list with 0.75p net recommendation for the 12 months ended April 30 1983.

Turnover of the group, which makes women's outerwear, eased from £10.98m to £10.52m, with exports contributing £2.37m (£2.85m). The group returned to profit in the first half and has stayed there to give £164,728 for the year, compared with a loss of £296,376.

After tax £15,275 (credit £53,525) the net profit came out at £149,453, against a loss of £242,851, equal to 1.53p (loss 3.49p) per share or 1.51p (nil) fully diluted. The dividend absorbs £73,207.

Wheeler's accepts

The offer by Kennedy Brookes for the ordinary capital of Wheeler's Restaurants has been declared unconditional. The cash element will close on Monday, but the share exchange offer will be extended until November 9.

To date Kennedy Brookes has received acceptances in respect of 1,028,870 shares, representing 68.59 per cent of the capital.

Brengreen tries to woo Sunlight

Urging aceptances from Sunlight Service Group, shareholders in the last phase of the protracted four way battle for the upper hand in the cleaning and laundry market, Brengreen said yesterday that its "energy and experience will provide the shot in the arm that Sunlight needs.

Brengreen alludes to the big overseas contracts it has been announcing in the last fortnight and emphasises its "considerable overseas growth, offering the new broader package to an even wider range of customers."

Sunlight has already lost its offer for Spring Grove, the towel rental group to Pritchard Services, one of Breengreen's principal rivals in the office cleaning market. But Sunlight has recently stressed its own ability to expand its existing operations and to play a key role in what Brengreen is calling "the vast new National Health Service privatisation market."

Irish Distillers

The Seagram Company of Canada has placed 1,688,537 shares of its holding in Irish Distillers Group. This brings its investment down to 15 per cent, the level originally held when Seagram first acquired a stake in the company in 1972.

Seagram has stated its intention of retaining the balance of 8,635,000 shares.

Results due next week

Imperial Chemical Industries' third quarter results tend to be seasonally weak, especially in agrochemicals. Group volumes look as if they will be down around 4 per cent against the previous quarter, roughly in line with UK industrial output. Meanwhile, average price increases are likely to be marginal, although the strength of the PVC market indicates that the plastics and petrochemicals division could have achieved a 5 per cent sterling price improvement. Since raw material costs there have been stable, that division could well break even after losing £10m in the second quarter. But the group's conservative accounting treatment of currency shifts means adverse movements in the key £-DM rate could at least wipe out that gain. On that basis, analysts are looking for a decline in pre-tax profits to around £135m against £170m in the previous quarter when ICI announces its results for the nine months to September 30 on Thursday.

A slack year for metal forming means McKechnie's performance is likely to have been anything but sparkling in the year to July 31. Nevertheless, the group could reveal some significant margin improvements when it announces its results on Thursday as a result of its heavy investment in recent years on robot controlled plant. Contributions from the South African associate should be well down in difficult economic conditions, although there has been an unexpected upturn in housing there which should benefit plumbing and electrical products. Meanwhile, there has been a sharp upturn in demand for the plastics division's consumer related products. Plastics, which accounts for nearly half of turnover, could well double its profits to around £7.5m. The consensus for the group is a rise in pre-tax profits from £10.15m to £11.5m. In its May rights issue, McKechnie forecast a total dividend maintained at 7.27p net.

The market has got used to the Avana Group's strong profits record and expects great things from it. Interim profits due on Wednesday should be around £6.8m pre-tax, compared with £5.05m, with a dividend increase of 15 per cent to 20 per cent on last year's 3p net. The results will show a first-time contribution from Lesme, a bulk chocolate maker, and continued strong growth from Brookes, which supplies Marks and Spencer with meat; and Viota, the own label cereal maker which provides an acceptable alternative to corn flakes and shredded wheat. Avana is quick to spot trends in consumer demand and sold large quantities of mixed fruit juice this summer, and is now getting in on the cider market with Trumpet.

Sales of Famous Grouse Scotch whisky continue to be the main impetus to Highland Distilleries growth in profits—mainly in the UK although sales overseas are beginning to take off. Forecasts for the full year's profits, expected on Monday, average just below £7m pre-tax with a total net dividend of 3.22p, up from 2.86p. The rest of Highland's business is performing steadily though demand for whisky fillings continues to be dull. Good cash flow and rising investment income will help boost the bottom line from last year's £5.73m.

Other interim results due next week include those of Kwik-Fit on Tuesday, and Gill & Duffus on the following day. On Tuesday Fairview Estates and Samuel Properties will be reporting preliminary results, while on Friday half time figures from the Savoy Hotel are due.

Company	Announcement due	Dividend (p)* Last year Int	Last year Final	This year Int.
FINAL DIVIDENDS				
Border and Southern Stockholders Tst.	Monday	1.3	1.7	1.3
British Assets	Wednesday	1.1	1.2	1.25
Burgess Products	Friday	0.5	3.0	0.5
Dixon David Group	Wednesday	2.22	3.98	2.22
Fairview Estates	Tuesday	1.328	3.675	1.461
Gaunt, Rowland	Wednesday	—	—	—
Highland Distilleries	Monday	0.88	1.98	0.97
Japan Assets Trust	Monday	—	0.1	—
Manganese Bronze Holdings	Thursday	—	2.17	—
McKechnie Bros.	Thursday	2.0	5.2765	2.0
New Australia Investment Trust	Tuesday	—	1.25	—
Peachey Property Corpn.	Tuesday	2.25	3.0	2.25
Samuel Properties	Tuesday	1.3	3.3	1.43
Simpson, S.	Thursday	1.3125	2.1875	1.3125
Small, John C.	Friday	0.5	—	—
Stewart and Wight	Thursday	—	4.0	—
TR Australia Investment Trust	Wednesday	1.6	1.9	1.8
Ulster Television	Friday	3.3	3.5	3.7
Walker and Homer	Thursday	—	—	—
INTERIM DIVIDENDS				
Advance Services	Wednesday	1.0	2.5	
Aero Needles Group	Friday	—	—	
Allied Leather Industries	Thursday	1.75	3.75	
Avana Group	Wednesday	3.0	4.5	
Barlows	Thursday	—	8.5	
Bishopsgate Trust	Monday	1.2	2.3	
Boosey and Hawkes	Wednesday	—	2.5	
Border Breweries (Wrexham)	Wednesday	1.4	3.9	
Causton, Sir Joseph	Friday	1.35	0.7112	
Clayton Son and Co.	Friday	0.9317	5.0683	
Coates Brothers	Thursday	1.0	2.42	
Cole Group	Friday	1.0	2.0	
De Vere Hotels and Restaurants	Thursday	3.0	3.0	
English National Investment	Monday	4.25	5.75	
Fab International	Thursday	0.75	1.65	
First Charlotte Assets Trust	Monday	—	0.5	
Foster Bros. (Clothing)	Wednesday	3.8	4.8	
Francis Industries	Tuesday	1.0	1.0	
Hamilton Oil GB	Monday	—	1.0	
Hay, Norman	Thursday	1.25	1.85	
Henderson Group	Wednesday	2.0	4.0	
Hopkinsons Holdings	Friday	1.5	4.15	
Imperial Chemical Industries	Thursday	10.0	10.0	
Kwik-Fit (Tyres and Exhausts)	Monday	0.42857	0.75	
Nineteen Twenty-Eight Investment Trust	Thursday	2.0	3.2	
O.K. Bazaars (1929)	Tuesday	‡44.0	88.0	
Portsmouth and Sunderland Newspprs.	Thursday	1.0	2.75	
Reed Executive	Monday	0.1	—	
Richardsons Westgarth	Tuesday	—	0.1	
Runciman, Walter	Monday	2.5	2.5	
Savoy Hotel	Friday	—	1.4	
Toshiba Corpn	Thursday	†3.33333	3.33333	
TR Industrial and General Trust	Friday	1.1	2.05	
TR Natural Resources Investment Trust	Wednesday	3.175	3.825	
Union Carbide	Wednesday	‡0.85	0.85	
Upton, E. and Sons	Friday	—	—	
Vanbrugh Currency Fund	Tuesday	—	4.5	
Waco	Monday	—	—	
Websters Group	Friday	0.8	1.9	
Weeks Associates	Thursday	—	1.0	
Wire and Plastic Products	Wednesday	0.85	1.05	

* Dividends are shown net pence per share and adjusted for intervening scrip issues. † In yen. ‡ In cents.

'Encouraging' increase in sales at S.R. Gent

ALTHOUGH the current year is only 13 weeks old, sales of S. R. Gent have shown an encouraging increase over last year, says Mr S. Mason Marks, chairman, in his first annual statement since the company went public in June.

He says it is too early to make a prediction for the 12 months as a whole but he is confident that good progress by this clothing supplier to Marks and Spencer will continue to be made.

The group proposes to enlarge its customer base in the UK and overseas where this will not detract from its close relationship with Marks.

Further expansion is expected in new textile areas where styling and fabric innovation encourages impulse buying by customers. The influence of fashion in leisurewear is creating new sales opportunities in both ladies' and men's wear.

The chairman points out that the company's growth has been mainly organic, adding that with its increased financial strength it is well placed to take advantage of suitable investment opportunities as and when they arise.

At June 30 the company had contracted capital commitments of £507,000 (£144,000) and had authorised but not contracted for £206,000 (£365,000). Its commitment to technologically advanced machinery to enhance efficiency and competitiveness continues, says Mr Mason Marks.

In the last financial year, when pre-tax profits rose from £4.26m to £5.18m, advanced machinery worth over £2m was purchased or leased.

During the year there was further investment in computerised machinery, and advanced techniques have been introduced into a number of sewing factories on an experimental basis. The results so far have been encouraging and have demonstrated higher efficiencies on the sewing lines and accelerated data centre.

Additional benefits are expected in the fields of stock control and production planning. Research continues into further microprocessor sewing applications and handling systems, and Mr Mason Marks says he is satisfied these efforts will bear fruit.

Following the acquisition in January of S. R. Gent (Australia), in which the company already had a 50 per cent interest, a complete reorganisation took place. Prospects for the current year look encouraging with the planned introduction of new customers and improved margins.

Initial sales by the new factory in Canada have been promising, while the group's related company in South Africa is maintaining its competitive edge in the current recession.

The balance sheet at June 30 1983 shows group shareholders' funds at £22.47m (£12.63m). Fixed assets totalled £16.01m (£13.62m) and net current assets were £9.64m (£2.44m). There was an increase in net borrowings of £3.85m (£1.87m decrease).

The annual meeting will be held at the Painters Hall, E.C., on November 17 at noon.

هكذا من الأصل

Series		Vol. Nov.	Last	Vol. Feb.	Last	Vol. May	Last	Stock
GOLD C	$375	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	$394.25
GOLD C	$400	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
GOLD C	$425	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
GOLD C	$450	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
GOLD P	$375	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
GOLD P	$400	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
GOLD P	$425	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
GOLD P	$450	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
		Dec.		March		June		
SILV C	$10	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	$9.58
SILV C	$11	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
SILV C	$12	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
SILV C	$13	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
SILV P	$10	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
SILV P	$11	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
SILV P	$13	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
		Oct.		Jan.		Apr.		
AKZO C	F.55	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	F.75.80
AKZO C	F.60	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
AKZO C	F.65	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
AKZO C	F.70	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
AKZO C	F.80	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
AKZO C	F.90	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
AKZO P	F.70	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
AKZO P	F.75	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
AKZO P	F.80	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
AMRO C	F.55	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	F.60.30
AMRO C	F.60	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
GIST C	F.160	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
HEIN C	F.110	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	F.130.60
HEIN C	F.120	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
HEIN C	F.130	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
HEIN C	F.140	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
HEIN P	F.130	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
HOOG C	F.30	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	F.34.90
HOOG C	F.35	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
HOOG C	F.40	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
HOOG P	F.35	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
KLM C	F.150	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	F.160
KLM C	F.160	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
KLM C	F.170	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
KLM C	F.180	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
KLM P	F.150	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
NEDL C	F.100	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	F.99.50
NEDL P	F.100	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
PHIL C	F.35	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	F.47.20
PHIL C	F.40	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
PHIL C	F.45	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
PHIL C	F.50	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
PHIL P	F.35	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
PHIL P	F.40	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
PHIL P	F.45	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
PHIL P	F.50	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
RD C	F.100	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	F.131.70
RD C	F.120	93	11.70	2	16	8	18	"
RD C	F.150	1185	1.30	150	9	16	13.50	"
RD C	F.140	—	—	242	4.20	537	8.60	"
RD C	F.150	—	—	276	2.40	36	4.10	"
RD P	F.150	446	0.10	180	4.20	87	5	"
RD P	F.140	432	8.50	25	9 B	—	—	"
UNIL C	F.220	124	13.50	8	17.10 B	2	20	F.254.30
EOE C	F.150	—	—	2	5	—	—	F.146.48
EOE P	F.140	—	—	3	1	—	—	"

TOTAL VOLUME IN CONTRACTS: 24,120

A=Ask B=Bid C=Call P=Put

BASE LENDING RATES

A.B.N. Bank	9 %	■ Hambros Bank	9 %
Allied Irish Bank	9 %	Heritable & Gen. Trust	9 %
Amro Bank	9 %	■ Hill Samuel	§ 9 %
Henry Ansbacher	9 %	C. Hoare & Co.	† 9 %
Arbuthnot Latham	9 %	Hongkong & Shanghai	9 %
Armco Trust Ltd.	9 %	Kingsnorth Trust Ltd.	10 %
Associates Cap. Corp.	9½%	Knowsley & Co. Ltd.	9½%
Banco de Bilbao	9 %	Lloyds Bank	9 %
Bank Hapoalim BM	9 %	Mallinhall Limited	9 %
BCCI	9 %	Edward Manson & Co.	10½%
Bank of Ireland	9 %	Meghraj and Sons Ltd.	9 %
Bank Leumi (UK) plc	9 %	Midland Bank	9 %
Bank of Cyprus	9 %	■ Morgan Grenfell	9 %
Bank of Scotland	Ω 9 %	National Bk. of Kuwait	9 %
Banque Belge Ltd.	9 %	National Girobank	9 %
Banque du Rhone	10 %	National Westminster	9 %
Barclays Bank	9 %	Norwich Gen. Tst.	9 %
Beneficial Trust Ltd.	10 %	R. Raphael & Sons	9 %
Bremar Holdings Ltd.	9 %	P. S. Refson & Co.	9 %
Brit. Bank of Mid. East	9 %	Roxburghe Guarantee	9½%
■ Brown Shipley	9½%	Royal Trust Co. Canada	9 %
CL Bank Nederland	9 %	Standard Chartered	‖ 9 %
Canada Perm't Trust	10 %	Trade Dev. Bank	9 %
Castle Court Trust Ltd.	9½%	TCB	9 %
Cayzer Ltd.	9 %	Trustee Savings Bank	9 %
Cedar Holdings	10 %	United Bank of Kuwait	9 %
■ Charterhouse Japhet	9 %	United Mizrahi Bank	9 %
Choulartons	10½%	Volkskas Intnl. Ltd.	9 %
Citibank Savings	¶10½%	Westpac Banking Corp.	9 %
Clydesdale Bank	9 %	Whiteaway Laidlaw	9½%
C. E. Coates	9½%	Williams & Glyn's	9 %
Comm. Bk. of N. East	9 %	Wintrust Secs. Ltd.	9 %
Consolidated Credits	9½%	Yorkshire Bank	9 %
Co-operative Bank	* 9 %		
The Cyprus Popular Bk.	9 %		
Dunbar & Co. Ltd.	9 %		
Duncan Lawrie	9 %		
E. T. Trust	9½%		
Exeter Trust Ltd.	10 %		
First Nat. Fin. Corp.	11½%		
First Nat. Secs. Ltd.	11½%		
Robert Fraser	10 %		
Grindlays Bank	‡ 9 %		
■ Guinness Mahon	9 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 5.5%. 1-month 5.75%. Short-term £8,000/12 months. 8.1%.
† 7-day deposits on sums of: under £10,000 5½%. £10,000 up to £50,000 6½%. £50,000 and over 7½%.
‡ Call deposits £1,000 and over 5½%.
‖ 21-day deposits over £1,000 6½%.
§ Demand deposits 5½%.
¶ Mortgage base rate.
Ω Money Market Cheque Account—8.90%. Effective annual rate—9.27%.

RESULTS AND ACCOUNTS IN BRIEF

SCOTTISH NORTHERN INVESTMENT TRUST—Results for the half year ended September 30, 1983: Revenue £1.24m (£1.16m) after tax £431,182 (£419,509) giving earnings per 25p share 1.85p (1.73p). Net asset value 146.82p (131.83p as at March 31, 1983)

GENERAL SCOTTISH TRUST—Interim dividend 1p (same) net for half year to September 30, 1983. Intended to maintain dividend rate for year at 3.1p. Income £555,000 (£571,000). Management expenses £95,000 (£58,000). Interest £27,000 (£54,000). Pre-tax revenue £433,000 (£459,000). Post-tax revenue £275,000 (£301,000). Earnings per 25p share 1.37p (1.5p). Net asset value per share after deducting prior charges at market value 139p (89p). Earnings per share for six months are lower than for the comparable period last year and on current forecasts, will be lower for the year as a whole, it is anticipated that earnings growth will resume in year to March 31, 1985

LONDON ATLANTIC INVESTMENT TRUST—Net asset value at September 30, 1983, was 167.8p (125.8p) per 25p share and equity shareholders' interest, after prior charges at par, £19.1m (£14.4m). Interim dividend 1.75p (same) net, for six months to September 30. Gross revenue £521,964 (£484,925); after-tax revenue £289,842 (£284,126) equal to 2.54p (2.49p) per share.

CHAMBERS AND FARGUS (seed crusher, edible oil refiner and processor)—Results for the year ended July 2, 1983, reported September 14. Shareholders' funds £1.72m (£1.86m). Tangible assets £1.97m (£1.59m), net current assets £1.01m (£1.21m). The directors are confident that in future years the company will return to improved profit levels. G. S. and J. B. Kurkjian hold 29.89 per cent of the capital. Meeting, Hull, November 11 at noon.

LONDON TRADED OPTIONS

Option	Calls Oct.	Calls Jan.	Calls Apr.	Puts Oct.	Puts Jan.	Puts Apr.
Brit. Petroleum (*422)						
360	66	76	—	1½	3	—
390	36	48	58	1½	7	14
420	8	26	34	4	19	30
460	1½	9	18	38	44	52
Cons. Goldfields (*487)						
500	10	47	57	20	37	46
550	1½	25	35	65	80	87
600	1	12	16	117	120	125
650	1	5	7	167	170	172
Courtaulds (*93)						
66	28	—	—	—	—	—
76	18	21	—	0½	2	—
86	8	12	—	1	3	—
90	—	—	13	—	—	5½
96	1½	6½	—	5	9	—
100	—	—	7	—	—	13
110	0½	2½	3½	18	21	22
Commercial Union (*158)						
130	29	—	—	0½	—	—
140	19	26	29	0½	4	5
160	3	12	15	7	12	18
180	1	3	6	24	26	29
G.E.C. (*186)						
180	8	24	32	3	9	14
200	2	11	18	16	20	22
220	1	5	10	36	36	36
240	1	2	6	56	56	56
Grand Met. (*308)						
300	9	30	40	4	15	20
330	1	14	24	25	33	40
360	0½	4	10	56	56	60
390	0¼	2	4	85	85	88
I.C.I. (*554)						
430	136	148	—	1	2	—
460	96	108	—	1	3	—
500	56	70	76	2	5	14
550	10	38	44	5	22	32
600	1½	16	22	48	58	66
Land Securities (*311)						
280	32	40	44	1½	4	6
300	12	26	30	2	11	13
330	1	10	14	21	27	30
Marks & Spencer (*196)						
180	17	23	28	1	4	6
200	3	11	16	6	11	15
220	1	4	9	25	27	29
Shell Transport (*562)						
460	104	114	—	1	2	—
500	64	76	—	1½	5	—
550	16	34	42	3	14	18
600	1½	12	22	40	46	50
650	1	5	10	90	92	94

Option	Calls Nov.	Calls Feb.	Calls May	Puts Nov.	Puts Feb.	Puts May
Barclays Bank (*442)						
420	33	45	52	7	15	23
460	10	22	32	30	35	42
500	2	10	17	62	62	70
550	1	2	7	—	110	117
Imperial Group (*129)						
110	20	24	26	1	2	2½
120	10	14	18	2½	4	6
130	3½	7	9	6	9	10
LASMO (*276)						
250	35	—	—	6	—	—
270	25	—	—	14	—	—
280	—	32	45	—	25	32
300	10	22	30	32	37	43
Lonrho (*97)						
90	10	14	18	2	3	5
100	3½	8	9	5	9	11
110	1	4	5	14	15	18
P. & O. (*224)						
180	46	50	—	1	2	—
200	27	34	41	2	3	4
220	9	22	28	5	8	10
240	3	13	18	19	23	24
Racal (*194)						
180	20	28	34	5	8	12
200	7	18	24	13	18	20
210	3	—	—	20	—	—
220	—	9	16	—	29	32
230	1½	5	11	38	38	38
250	1	3	6	2	58	—
R.T.Z. (*574)						
500	77	92	—	2	7	—
533	50	72	—	7	19	—
550	35	60	80	14	31	42
583	18	37	—	30	47	—
600	7	25	50	38	57	67
Vaal Reefs (*$99)						
100	5	12½	15½	8	12	16
110	2	8	11	14½	19	22
120	0½	5	7	22	25½	29½
130	0½	2	4	31½	38	35

Option	Calls Dec.	Calls Mar.	Calls Jun.	Puts Dec.	Puts Mar.	Puts Jun.
Beecham (*303)						
300	22	35	46	14	20	27
330	12	18	25	33	40	45
358	4	8	—	55	55	—
386	2	3	—	86	85	—
Bass (*303)						
300	18	24	34	14	19	22
330	4	11	18	36	38	43
De Beers (*$780)						
800	37	62	75	52	67	90
850	22	42	55	90	110	125
900	8	18	35	135	155	165
Guest Keen (*158)						
155	20	—	—	4	—	—
160	—	23	28	—	8	12
175	7	—	—	12	—	—
180	—	11	15	—	18	22
Hanson (*212)						
200	19	26	34	4½	7	11
220	8	13	21	13	15	19
Tesco (*154)						
150	17	22	27	8	12	15
180	6	11	15	22	24	26

Oct. 21, Total Contracts 2,648. Calls 1,558. Puts 1090
* Underlying security price.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Allianz Versicherung, after lifting its stake in **Eagle Star** from 27.8 to 29.99 per cent via a market raid on Wednesday, launched its long anticipated bid for the UK insurance group. The 500p per share cash offer, which values Eagle Star at £692m is, in effect, a partial bid as Allianz has intimated that it wants only about 40 per cent of Eagle Star. The presence of Allianz's stake in Eagle Star, acquired through a raid and tender offer in June 1981, has cut no ice with the Eagle Star board. Talks between the two groups aimed at persuading Eagle Star to co-operate in a variety of joint overseas projects have come to nothing and Allianz's method of ending the deadlock is to seek extra shares in the market. Eagle Star immediately rejected the offer as derisory.

Norton Opax, the Leeds-based security printer, made an agreed shares and cash offer for **Broadprint Group**, a Cheshire-based printer, worth almost £4.7m. Norton gained prominence earlier this year when it launched a £10.7m bid for printing and packaging group, John Waddington. The bid was eventually dropped. Norton is now offering £12 cash and seven of its own shares for each Broadprint share, valuing the latter at £20.25.

Terms have been agreed whereby **Mr Neil Phoenix** will make a 100p per share cash offer for **Russell Brothers (Paddington)**. The latter's directors are unanimously recommending acceptance. Mr Phoenix, a chartered surveyor with a number of private business interests, will endeavour to maintain the listing of Russell's share capital.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Prices in pence unless otherwise indicated.					
Branon	30*	30	58	0.92	Taddale
Drake and Scull	115§§	111	85	21.06	Simon Engineerg
Eagle Star	500*‡	525	500	692.02	Allianz Verschrng
Hawkins & Tmpsn	44*§	43½	38	3.82	Evered
Helical Bar	65*§	88	75	1.89	Exent
Hoover (UK) Ord	240*§	223	215	18.34	Hoover (U.S.)
Hoover (UK) "A"	235*§	225	205	28.69	Hoover (U.S.)
Huntleigh	198	218	203	28.44	Flight Refuelling
Illngwth Mrrs Ord	14½*§	17	18	1.33	Mr A. Lewis
Illngwth Morris A	10½*§	11	11	0.63	Mr A. Lewis
Ingram (H.)	65*§	235	80	1.02	Wasskon
Ins Cpn of Ireland	266§	272	224	I£5.56	Allied Irish
Moorside Trust	101*	106	94	19.6	Guinness Peat
Rightwise	238½*§	200	200	2.57	Crosby House
Royal Worcester	287	323	275	19.42	Crystalate
Russell Bros	100*	125	115	0.72	Mr N. Phoenix
Spring Grove	50*†¶	47	48	16.68	Pritchard Services
Sunlight Serv	286	255	192	34.65	Brengreen Hldgs
Tate of Leeds	210*§	198	170	1.21	Tate family
Tecalemit	43§§	45	29	14.70	Siebe Gorman
Telfos	40*§	42	38	2.08	Plantation and Gen Ivs
Twinlock	71*§	70	60††	15.17	Acco World Cpn
UBM Group	131§§	121½	99	76.81	Norcros
Westminster Prop	35½*§	35½	32	9.85	Milbury
Wheeler's Rsts¶	485	480	485	7.27	Kennedy Brookes
Whittingh'm (W.)	130*¶	127	114††	8.11	Comben Group

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Unconditional. ‖ Loan stock alternative. ** Based on 21/10/83. †† At suspension. ‡‡ Estimated. §§ Shares and cash.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Anchor Chemicals	June	210	(333)	1.0	(1.0)
Areolectric	June	72L	(90)	—	(0.25)
Barr & Wallace	July†	492	(323)	2.0	(—)
British Home Strs	Sept‡‡	14,350	(10,850)	1.75	(1.75)
Brook St Bureau	June	130L	(633)L	—	(—)
Ciro	June	197L	(215)	—	(—)
Davies & Newman	June	2,760L	(1,750)L	3.0	(2.67)
Duport	July	1,050	(500)	0.3	(—)
Edith	Sept††	1,160	(1,120)	0.8	(0.8)
Erith	June	783	(626)	0.85	(0.7)
Firmin & Sons	June	102	(235)	1.5	(1.5)
Folkes, John Hefo	June	100	(311)	0.35	(0.35)
Gates, Frank G.	June	662	(658)	—	(—)
Gerrard & Natl	Oct	—	(—)	3.0	(3.0)
Godwin Warren	June	56	(48)	0.7	(—)
Hammerson Prop	June	11,590	(8,690)	3.0	(3.0)
Harrisons & Cros	June	21,260	(16,290)	8.0	(7.5)
Hawker Siddeley	June	55,300	(58,500)	3.9	(3.7)
Hunting Petrolm	June	2,610	(3,170)	2.25	(2.25)
Ibstock Johnson	June	1,620	(1,270)L	1.75	(1.5)
Jackson Group	June	456	(415)	1.2	(1.15)
Lawrence, Walter	June	791	(712)	3.0	(2.75)
Lec Cooper	June	5,220	(5,040)	1.4	(1.23)
Lilley, F. J. C.	July	6,520	(5,030)	1.2	(1.09)
London & Nthrn	June	4,080	(3,510)	1.7	(1.5)
Markheath Secs	June	247L	(315)L	4.55	(4.55)
Marshall's Unvrsl	June	196	(524)	—	(—)
More O'Ferrall	June	1,010	(1,050)	0.9	(0.88)
MY Dart	July	45L	(306)L	0.25	(0.1)
Parrish, J. T.	July	40L	(50)L	—	(—)
Photax (London)	June	79L	(48)L	—	(—)
Prince of Wales	July	79	(36)	1.0	(0.75)
Roberts, Adlard	June	513	(340)	2.0	(1.0)
Rock	June	120L	(71)L	—	(—)
Scottish Heritable	June	256	(8)	1.0	(1.0)
Selincourt	June	101	(253)	0.03	(0.01)
Sound Diffusion	June	2,310	(1,420)	—	(—)
Sumner, Francis	June	112	(92)	—	(—)
Swire, John & Son	June	20,800	(10,800)	—	(—)
Telephone Rntls	June	6,420	(6,160)	2.0	(2.0)
Thurgar Bardex	June‡	63L	(36)	—	(—)
UEI	July	4,240	(3,899)	2.0	(1.8)
Whittington Intl	June	109	(3)	—	(—)

(Figures in parentheses are for the corresponding period.)
† Seven months. ‡ 25 weeks. †† After tax. ‡‡ 24 weeks. L Loss.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Agricultrl Hldgs	June	1,060	(730)L	—	(—)	10.0	(—)
Austin, James	March	520L	(200)	—	(—)	1.87	(1.87)
BPM Holdings	July	1,360	(403)	—	(—)	5.78	(5.78)
Bryant Holdings	May	7,700	(9,600)	7.9	(8.3)	1.65	(1.5)
Brooke Bond	June	48,200	(35,300)	7.8	(5.2)	4.1	(3.91)
Burndene Inv	May	86	(52)	1.1	(0.6)	—	(—)
Castle (GB)	July	1,190	(902)	6.3	(5.8)	0.6	(0.6)
Cradley Print	June	930	(512)	8.6	(4.7)	1.05	(0.79)
Danks Gowerton	June	1,340L	(242)	—	(3.0)	0.25	(0.75)
Eleco Holdings	June	1,600	(1,560)	9.6	(9.3)	3.5	(3.5)
Grosvenor Group	June	573	(332)	14.4	(9.9)	5.25	(5.0)
Humberside Elect	May	156L	(238)	—	(1.1)	—	(0.1)
Low, William	Sept	3,940	(3,339)	35.6	(29.1)	8.6	(8.0)
Martin, R. P.	June	7,720	(8,140)	29.8	(37.1)	10.95	(10.95)
Medminster	June	251	(81)	10.4	(5.8)	4.4	(4.0)
Paterson Zochonis	May	26,870	(29,830)	29.6	(30.9)	4.75	(4.5)
Pressac	July	1,140	(146)	9.4	(1.8)	1.85	(1.1)
Quest Automation	Feb	5,150	(2,860)	—	(—)	—	(—)
Ramus Holdings	July	621	(325)	—	(—)	5.0	(5.0)
SI Group	June	1,130	(580)	—	(—)	1.38	(1.0)
Sinclair, W.	June	442	(533)	13.7	(9.9)	4.25	(4.25)
Thames Inv	May	1,910L	(412)	—	(11.1)	—	(—)
TSW	July	1,130	(1,100)	3.7	(2.7)	1.2	(1.2)

Rights Issues

R. Cartwright—Raising £870,000 via a one for five rights issue at 83p per share.
Continental Microwave—Raise £1m by way of a one for six rights issue at 660p per share.
Lex Services—£19.7m by way of a one for ten rights issue at 275p per share.
London Shop Property Trust—Raising £10m net by way of a rights issue of £10,167,564 9 per cent (second series) converted unsecured loan stock. Offer of £2 of new converted stock for every seven ordinary shares of 25p each.
Raine Industries—Raising £786,000 via a one for three rights issue at 14p per share.

Offers for sale, placings and introductions

Flogas—Applying to come to USM via a placing of 4.9m shares at a price of I£0.77 (approximately 61p) per share.
Imtec—2,416,274 shares being placed at 91p each.
Laidlaw Group—Coming to USM via a placing representing 23.4 per cent of share capital.
Logica—Applying for full stock exchange listing via an offer for sale by tender of 10.4m shares—minimum price 140p each.
Sunderland and South Shields Water Company—Offer for sale by tender of £5m 6.5 per cent redeemable preference stock 1989 at minimum price of par.

Scrip Issue

Eleco Holdings—One for 10 scrip issue

APPOINTMENTS

British Aerospace posts

Mr J. S. Thomas has become group executive director—marketing dynamics group, BRITISH AEROSPACE. He was formerly deputy to group sales and marketing director. At aircraft group, Mr B. A. H. Botting has been appointed head of marketing, Americas and Africa (excluding North Africa): Mr J. D. Hastie, head of marketing, Middle East and North Africa: and Mr D. McClen, head of marketing, Europe, including the UK.

★

The Duke of Westminster has been appointed a non-executive director of HARLAND AND WOLFF, Belfast. The Duke is chairman of the board of trustees of the Grosvenor Estates and a director of Sun Alliance and London Insurance Company.

★

BROWN GOLDIE & CO part of the Abaco Investments group, has appointed Mr Richard Wevill as an executive in the corporate finance department. He was with stockbrokers E. B. Savory Milln & Co.

★

BRYANT HOLDINGS has appointed Mr Andrew MacKenzie as managing director of Bryant Homes Southern and Mr Terry Flower as deputy managing director of Bryant Homes and director of Bryant Homes Southern.

★

A I INDUSTRIAL PRODUCTS has appointed Mr David Valentine as group managing director. He was a director of BSG International and Heron Suzuki Holdings.

★

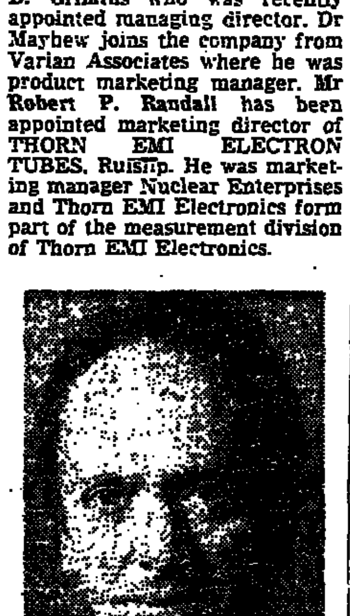
Mr Angus M. MacKenzie is taking early retirement due to ill health and is resigning from the board and as company secretary at GEORGE H. SCHOLES from October 31. From November 1 Mr William J. Riches becomes company secretary. He is group accountant.

★

UNITED CABLE PROGRAMMES has appointed Mr Peter H. Taylor as marketing and sales controller. He is currently marketing director of Truman's Brewery in London, a company in the Watney Mann Truman brewery division of Grand Metropolitan.

★

Dr Michael Mayhew has been appointed marketing director of NUCLEAR ENTERPRISES, Beenham. He succeeds Mr Joseph D. Griffiths who was recently appointed managing director. Dr Mayhew joins the company from Varian Associates where he was product marketing manager. Mr Robert P. Randall has been appointed marketing director of THORN EMI ELECTRON TUBES, Ruislip. He was marketing manager Nuclear Enterprises and Thorn EMI Electronics form part of the measurement division of Thorn EMI Electronics.



Mr Michael Worthington, who joins Royal Doulton boards

Mr Michael H. Worthington has been appointed to the boards of Royal Doulton Tableware and ROYAL DOULTON TABLEWARE (HOLDINGS). He will continue as secretary of both companies. He joined the company in 1970 as divisional financial accountant.

★

Mr Ashley R. G. Raeburn has succeeded Mr Anthony G. Kilby as deputy chairman of BOOSEY & HAWKES. Mr Kilby remains on the board as a non-executive director.

★

Sir James Hamilton has been appointed by the board of HAWKER SIDDELEY GROUP as a non-executive director. He was permanent under secretary of state at the Department of Education and Science until May this year.

CONTRACTS

£9m refurbishment orders for Wates

WATES SPECIAL WORKS has secured £9m modernisation contracts. Three Star Property Holdings has placed a contract worth £3.3m for extensive works to the building fabric of the Queens Club Gardens W14 flat complex. Work is due for completion in mid-1984. Sandoz Products has awarded a £2.37m scheme for laboratory conversions at the Kathleen Lonsdale Building, Gower Place, WC1, to be occupied by a new research institute. The 15-month project involving close collaboration between University College London and Sandoz of Basle, includes demolition and rebuild of the top floor. For the North East Thames Regional Health Authority the kitchen complex and new dual bed lifts in a £660,000 contract at the Whittington Hospital, Highgate Hill, N19. The scheme, which starts later this month, will take 22 months to complete. Refurbishment of offices for the National Water Council in Euston Road will cost £340,000, commences this month and will be completed in approximately four and a half months' time.

External renovations to inter-war houses and flats on eight estates for the London Borough of Hounslow will cost £1.6m. The 40-week contract will be carried out with tenants in occupation and starts mid-November.

★

SIR ROBERT McALPINE & SONS has won contracts totalling £5.52m. A £2.02m contract for fitting out a new department store in Ealing central redevelopment area has been awarded by Bentalls of Kingston. Work starts on October 24 and is due for completion by the end of June 1984. It includes installation of two escalators, two lifts, heating and ventilating equipment and full air-conditioning. The two-storey building will replace Bentalls' existing premises and will provide 6,000 sq metres of retail floor area with full restaurant facilities.

A £1.9m contract for construction of a new deck and car park over platforms 5-9 at London's main line Victoria Station for British Rail (Southern) has been won. This deck measuring 47 metres (tapering to 30 metres) x 92.5 metres with a total area of about 3,750 sq metres will form an extension to the new rail/air terminal. It is due for completion in spring 1984. A contract worth over £1.6m has been awarded to build 2,400 sq metres of offices and laboratories at Whyteleafe for Givaudan. Construction of the two-storey block with basement plantroom will be concrete frame on bored piles with aluminium cladding. Work includes a special extract ventilation system in the flavourings and fragrances departments. Work is due to start next month for completion by December 1984.

★

Contracts worth over £1.3m have been won by A. MONK & CO. They include building a supermarket and shop units at Kings Lynn, for Swiftacre; grout screen and access roads at the King George V Reservoir, for Thames Water eastern division, and drainage and roadworks for the North West Regional Health Authority at Tameside General Hospital.

★

FAIRCLOUGH BUILDING has won £1.6m worth of housing refurbishing work in two contracts. The first is for the City of Newcastle upon Tyne and involves improvements to 136 homes on the Pendower Estate in Newcastle. Work has begun and is to be completed in late 1984. The second is for the Property Services Agency, north east region and is to internally upgrade, modify and build two-storey extensions to married soldiers' quarters at Catterick. Work has begun and should be completed July 1984.

★

IDC has been awarded a £1.13m contract by Sony (UK) for design and construction of a 30,000 sq ft extension to the CRT factory in Bridgend. It will incorporate production facilities, offices and stores. Construction has started for completion in 39 weeks.

★

DUDLEY COLES, Plymouth, part of the Bath & Portland Group, has been awarded contracts totalling over £2.5m by the Property Services Agency, South Western Regional Health Authority and Devon Community Housing Society. A £1.2m contract from the PSA is for construction of a three-storey block linked by a high-level bridge to existing accommodation and a first-floor extension to the officers mess at RAF St Mawgan, Cornwall. For the South Western Regional Health Authority Dudley Coles is carrying out a £654,000 upgrading programme to the theatre suite at Freedom Fields Hospital in Plymouth. Devon Community Housing Society has awarded a £710,000 contract to construct 35 flats in a sheltered housing scheme at St Michael's Church, Paignton.

★

HERBERT MORRIS has been awarded a contract, totalling £3m, for two quayside container handling cranes at the Port of Felixstowe. The cranes have a capacity of 40 tonnes and an outreach of 38 metres. Each crane's overall height is 55 metres, but when the boom is raised, the height is 79 metres. Both cranes are fitted with telescopic spreader beams, which enables them to handle standard ISO containers from 20 ft to 40 ft. They will be situated on the Dooley Terminal and Landguard Terminals.

JOHN FINLAN has won a contract worth £1.5m for the design and development of a 12,000 sq ft office block, together with showroom areas, at London Street, Reading. As the development is within a conservation area and is listed, the elevation to the building is to be retained. Work is expected to be completed by October 1984.

★

W. H. ALLEN, Bedford, part of NEI-A.P.E., has been awarded a contract worth over £550,000 to design, manufacture, instal, and commission a 4.2 MW Allen multistage steam turbine, with Parsons Peebles alternator and associated equipment, for the St James's Gate brewery of Arthur Guinness Son and Co. (Dublin).

Economic Diary

TODAY: Informal meeting of EEC Foreign Affairs Ministers in Athens (until October 23).
TOMORROW: Summer time ends. Mr Ian Macgregor, National Coal Board chairman, to address colliery officers and staff association at Moat House Hotel, Wallsend. Mr Donald Regan, U.S. Treasury Secretary, to attend U.S./Saudi joint economic commission in Riyadh (until October 28).
MONDAY: EEC finance council meets in Luxembourg. European Parliament in session in Strasbourg (until October 28). FT Conference "The financial services revolution—banks and non-banks in the 1980s," at the Inter Continental Hotel, W1 (until October 27). Parliament returns after summer recess.
TUESDAY: Bricks and cement production (third quarter). New vehicle registrations (September). EEC economic and social committee in plenary session in Brussels (until October 27). CBI/BIM publish survey on British management and the recession.
WEDNESDAY: Balance of payments current account and overseas trade figures (September). EEC research and internal market councils meet in Luxembourg. IFS Conference "The Meacher report, the structure of personal income, taxation and income support," at the Regent Palace Hotel, W1. FT Conference "Banking and electronic technology," at the Royal Lancaster Hotel, W2 (until October 27). West German Cabinet to decide on size of financial support for the merger of Thyssen and Fried Krupp.
THURSDAY: Overseas travel and tourism (August). Energy trends (August). Quarterly estimate of employees in employment (second quarter). Unemployment and unfilled vacancies (September—final). Provisional August figures for employment in the production industries. Provisional statistics for stoppages of work due to industrial disputes in September. Overtime and short-time working in the manufacturing industries in August. Opec market monitoring committee meets in Vienna.
FRIDAY: Ford pay talks. AUEW national conference at NUT Hall, Euston. Shipbuilding unions delegate conference in Tynemouth to discuss action over British Shipbuilders' survival plan. Dunlop board meeting.

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Over-the-Counter Market

1982-83 High	Low	Company	Price	Change	Gross div.(p)	Yield %	P/E Actual	P/E Fully taxed
142	120	Ass. Brit. Ind. Ord.	127	—	6.4	5.0	7.4	9.7
158	117	Ass. Brit. Ind. CULS	135	—	10.0	7.4	—	—
74	57	Airsprung Group	74	—	6.1	8.2	21.1	21.1
46	21	Armitage & Rhodes	23	+1	—	—	—	—
242	98½	Bardon Hill	238	—	7.2	3.0	9.7	19.8
151	100	CCL 11pc Conv. Pref.	139	—	15.7	11.3	—	—
270	160	Cindico Group	160	—	17.6	11.0	—	—
86	45	Deborah Services	57	—	6.0	10.5	—	—
149	77	Frank Horsell	149	+1	—	—	6.3	10.3
143	75½	Frank Horsell Pr Ord 87	143	+1	8.7	6.0	6.0	9.9
83	49	Frederick Parker	49	—	7.1	14.5	3.1	4.9
55	32	George Blair	32	—	—	—	—	—
100	58	Ind. Precision Castings	58	—	7.3	12.6	16.1	20.0
203	100	Isis Conv Pref	203	+1	17.1	8.4	—	—
114	47	Jackson Group	106	—	4.5	4.2	5.5	10.9
237	111	James Burrough	205	−1	11.4	5.6	11.3	11.6
260	133	Robert Jenkins	133	−1	20.0	15.0	15.6	10.4
83	54	Scruttons "A"	69	—	5.7	8.3	11.5	8.3
167	90	Torday & Carlisle	90	—	2.9	3.2	—	—
29	21	Unilock Holdings	21	—	1.0	4.8	13.7	20.0
90	64	Walter Alexander	89	—	6.8	7.6	7.8	10.3
276	214	W. S. Yeates	260	—	17.1	6.6	4.0	8.3

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Undecided on Wall Street

AN UNDECIDED tendency prevailed on Wall Street yesterday, when profit-taking trimmed modest gains recorded earlier in the day.

After opening 1.94 up at 1,253.46, the Dow Jones Industrial Average came back to 1,250.30 by 1 pm, a loss of 1.22 on the day and 13.22 on the week. The NYSE All Common Index shed 36 cents to $95.96, making a loss of $2.04 on the week. Gains and losses were about even, while the volume decreased 2.54m shares to 55.11m compared with 1 pm Thursday.

Bank stocks led the slight turnaround in early afternoon trading. Chase Manhattan declined $1½ to $44½, Citicorp $2⅛ to $30⅛, and Manufacturers Hanover $1 to $36⅞.

Mary Kay Cosmetics dropped $2½ to $16⅞ on lower profits.

Gulf Oil, up $1 to $47, led the active list on a volume of over 3m shares—a block of 2.5m shares traded at $47½. The block was crossed by Bear Stearns, which had handled previous trades for Mesa Petroleum, which already owns an 8.75 per cent stake in Gulf.

Superior Oil moved up $1½ to $36½ in active trading—takeover rumours resurfaced after Howard Keck resigned as chairman of the board's executive committee and also as a consultant. Keck controls about 12.3 per cent of Superior's outstanding stock.

THE AMERICAN SE Market Value Index was off 0.97 at 219.57 by 1 pm, making a loss of 5.47 on the week. Trading volume, however, rose 85,000 shares to 4.3m, compared with 1 pm on Thursday.

Canada

Prices continued slightly lower at midsession as new weakness emerged in Golds, Metals and Oils.

The Toronto Composite Index was off 4.1 at 2440.1. Golds 23.0 at 3803.5, Metals and Minerals 10.0 at 2345.1 and Banks 1.26 at 482.14. But Oil and Gas rose 4.4 to 3483.6 and Utilities 1.07 to 317.07.

Inco dipped $¼ to $18½ on a larger third quarter loss.

Alcan firmed $½ to $43⅛ on a sharp turnaround in third quarter profits.

Trading halts were announced in Sulpetro, Mascan and Goldlund Mines, all pending news. Sulpetro said it will make a statement Monday.

Closing prices for North America were not available for this edition.

Germany

A surge of orders for the Munich-based Insurance company Allianz, engaged in a takeover bid for Britain's Eagle Star, and continued strong interest in Blue Chips Daimler and Siemens sent the broader market surging in lively trading.

The Commerzbank Index of 60 stocks hit a new 23-year high for the third time this week, up to 1000.0 from 989.3 on Thursday.

Allianz moved up DM 30 to 740 following "large" buy orders from one major West German bank.

The continued rally again concentrated on favourite Blue Chips, but dealers said buying interest was also more broadly spread through most market sectors.

Motors were given a further boost by news of a 36.6 per cent gain in September new registrations over August. Daimler closed at the day's high of DM 662, up 16. BMW added DM 5 at 401 and VW rose DM 3 to 226.30.

Tyre-maker Conti Gummi put on DM 1.40 to 115—it has risen strongly in line with Motors, and Thursday forecast higher 1983 earnings.

Chemicals were also favoured. Siemens gained DM 2.5 to 376, a new 1983 peak.

Banks continued their surge, unleashed by Commerzbank's, up DM 1.30 at 180, on news of a higher-than-expected DM 6 1983 dividend earlier this week.

Engineerings were neglected.

Paris

The Bourse was closed yesterday for technical work ahead of the launching of a new "Monthly account" market on next Monday, October 24.

Switzerland

Domestic shares closed steady on average volume.

The positive result of the latest Swiss Federal Tender Bond contributed to the firmer tone.

Banks were actively traded, with Union Bank Bearer up SwFr 30 at SwFr 3,220.

Chemicals were again in demand, while Insurances closed barely changed.

Most financials were marginally higher.

The Swiss Bond Market closed mixed, with a firmer tone in Domestic issues.

In Foreign shares, Dollar stocks traded around Thursday's New York closing levels. Japanese stocks mostly rallied in line with Tokyo Stock Exchange's sharply higher close.

Tokyo

Share prices rose sharply throughout the day, boosted by the yen's rise against the dollar and a slight rally overnight on Wall Street.

The Market Average gained 50.56 to 9,370.21. Volume 280m (300m) shares.

Other factors behind the advance were market expectations on a half-point Discount rate cut which was announced after the market closed—and the Economy-Boosting Package announced by the Government yesterday morning.

Investors reacted calmly to the Economic Package, whose details were already known before the announcement. Construction, Cement and Industrial Machinery shares which stand to benefit from increased Public Spending rose at first but ended mixed.

Many investors, however, were worried about political developments in Japan in the wake of the Tanaka verdict.

Dealers said the Discount rate cut and the Economic Package were unlikely to lead to a sudden advance in share prices, but should underpin the market towards the end of the year.

Oils closed higher on the stronger yen, while International "Populars" were higher in line with the rise on Wall Street.

Fujitsu rose Y40 to 1200—it has an agreement with IBM on the use of IBM computer software.

Honda were up Y33 to 1,020 after reporting good car sales in the U.S. Nissan Motor put on Y6 to 710—it now seems more likely than before to build a car plant in Britain.

Hong Kong

Generally lower in decreased trading. The Hang Seng Index lost 5.19 to 784.92.

Brokers noted resistance as the Index approached the 800 mark with bargain hunting around the lows.

The Overseas Trust Bank shed 15 cents to $32.62, after announcing lower net profits for the year ended June 30.

Australia

Generally firm in active trading with BHP, up 15 cents at $A12.20 accounting for about a third of the value of business.

The All-Ordinaries Index was 4.6 higher at 688.5, the All Industrials up 6.7 at 583.9 and the All Resources Index up 2.9 at 532.9.

Golds traded nervously despite modest rises in bullion prices in New York and Hong Kong.

Other "Heavyweight" Mines were mixed to firm.

There was little movement in Oil and Gas stocks.

Industrials regained some ground after losses earlier in the week.

Johannesburg

Gold shares tended slightly easier on a lack of interest. The Bullion price offered no stimulus despite holding steady at around $394.

Indices

NEW YORK

DOW JONES

	Oct. 20	Oct. 19	Oct. 18	Oct. 17	Oct. 14	Oct. 13	1983 High	1983 Low	Since Compil'tn High	Since Compil'tn Low
● Industr'ls	1251.52	1248.75	1250.81	1268.78	1265.52	1261.58	1284.65 (10/10)	1027.04 (3/1)	1284.65 (10/10/83)	41.22 (2/7/32)
H'me Bnds	72.12	72.01	72.00	71.87	71.89	71.84	77.84 (6/5)	69.85 (9/8)	—	—
Transport	581.36	583.89	585.47	591.82	580.56	577.04	591.82 (17/10)	454.24 (3/1)	591.82 (17/10/83)	12.32 (8/7/32)
Utilities	138.34	138.38	137.53	138.20	137.38	137.58	140.08 (6/10)	119.51 (3/1)	163.32 (20/4/69)	10.5 (28/4/42)
TradingVol 000-†	86,800	107,780	91,080	77,780	71,600	67,760	—	—	—	—

● Day's high 1258.74 (1263.28) low 1241.06 (1229.37)

	Oct. 14	Oct. 7	Sept. 30	Year ago (Approx)
Indust'l div. yield %	4.41	4.38	4.51	5.49

STANDARD AND POORS

	Oct. 20	Oct. 19	Oct. 18	Oct. 17	Oct. 14	Oct. 13	1983 High	1983 Low	Since Cmpil'n High	Since Cmpil'n Low
Indust'ls	188.25	189.89	189.49	192.46	191.50	191.89	194.84 (10/10)	154.25 (5/1)	194.84 (10/10/83)	3.52 (30/6/32)
Comp's'te	168.28	166.78	167.81	170.46	169.86	169.88	172.65 (10/10)	138.34 (3/1)	172.65 (10/10/83)	4.40 (1/6/32)

	Oct. 19	Oct. 12	Oct. 5	Year ago (Approx)
Indust'l div. yield %	3.93	3.85	3.90	4.60
Indust'l P/E ratio	14.45	14.73	14.51	10.20
Long Gov. Bond yield	11.36	11.57	11.21	10.52

N.Y.S.E. ALL COMMON

Oct. 20	Oct. 19	Oct. 18	Oct. 17	1983 High	1983 Low
96.32	96.16	96.81	98.27	99.63 (10/10)	80.92 (24/1)

Rises and Falls

	Oct. 20	Oct. 19	Oct. 18
Issues Traded	1,952	1,977	1,975
Rises	863	498	392
Falls	693	1,125	1,224
Unchanged	396	354	359
New Highs	33	20	45
New Lows	15	25	28

MONTREAL	Oct. 20	Oct. 19	Oct. 18	Oct. 17	1983 High	1983 Low
Industrial	435.37	432.60	436.45	445.07	468.90 (26/9)	331.12 (4/1)
Combined	415.55	415.81	416.64	421.96	441.29 (26/9)	326.12 (4/1)
TORONTO Composite	2444.3	2465.5	2449.8	2481.4	2598.2 (28/9)	1949.8 (4/1)

NEW YORK ACTIVE STOCKS

Thursday	Stocks traded	Closing price	Change on day		Stocks traded	Closing price	Change on day
Am Tel & Tel	3,323,700	62	−1	Gulf Oil	1,458,400	48	+⅛
Archer Daniels	2,793,600	23⅛	−1⅛	Comw Edison	1,230,800	28½	+⅛
Digital Equip	2,646,600	67¼	−5⅛	Avon Products	1,162,900	22⅞	−1⅛
Ralston Purina	2,076,200	25⅛	+⅛	IBM	1,141,500	123⅜	−⅛
Hewlett-Pack	1,854,800	37⅞	−1⅛	Merrill Lynch	1,052,100	29⅛	−1⅞

	Oct. 21	Oct. 20	Oct. 19	Oct. 18	1983 High	1983 Low
AUSTRALIA						
All Ord. (1/1/80)	688.5	684.0	679.8	682.1	735.7 (12/8)	487.8 (4/1)
Metals & Minls. (1/1/80)	512.9	510.8	508.7	509.5	614.2 (5/8)	411.8 (4/1)
AUSTRIA						
Credit Aktien (2/1/62)	54.56	54.50	54.85	54.72	58.8 (5/5)	48.46 (15/2)
BELGIUM						
Belgian SE (31/12/63)	126.24	126.15	126.07	127.16	134.43 (1/8)	100.60 (4/1)
DENMARK						
Copenhagen SE (3/1/83)	193.08	195.17	191.53	188.09	204.22 (13/9)	100.00 (3/1)
FRANCE						
CAC General (31/12/82)	(c)	139.7	140.6	141.4	141.5 (17/10)	98.1 (3/1)
Ind Tendance (31/12/82)	(c)	147.9	148.7	150.1	150.7 (17/10)	98.0 (3/1)
GERMANY						
FAZ-Aktien (31/12/58)	337.12	334.16	334.89	333.53	337.12 (21/10)	241.89 (25/1)
Commerzbank (Dec 1953)	1000.0	989.3	992.2	988.7	1000.0 (21/10)	727.9 (25/1)
HONG KONG						
Hang Seng Bank (31/7/64)	784.92	790.11	794.34	790.94	1102.64 (21/7)	690.96 (4/10)
ITALY						
Banca Comm Ital. (1972)	186.42	185.18	182.15	185.95	214.93 (21/3)	168.45 (10/1)
JAPAN**						
Nikkei-Dow (16/5/49)	9370.21	9319.65	9280.80	9348.06	9562.25 (12/10)	7803.18 (25/1)
Tokyo SE New (4/1/68)	685.68	678.80	676.88	681.29	689.60 (7/10)	574.51 (25/1)
NETHERLANDS						
ANP-CBS General (1970)	141.2	140.9	141.1	142.7	144.3 (11/10)	100.1 (4/1)
ANP-CBS Indust (1970)	116.4	115.1	115.5	116.7	115.4 (10/10)	85.5 (4/1)
NORWAY						
Oslo SE (4/1/83)	210.42	210.25	209.24	215.44	217.50 (18/10)	99.01 (4/1)
SINGAPORE						
Straights Times (1966)	957.99	982.58	982.53	951.73	992.82 (26/8)	712.29 (3/1)
SOUTH AFRICA						
Gold (1958)	727.3	728.4	765.7	765.8	1099.5 (1/2)	694.3 (28/3)
Industrial (1958)	906.1	905.7	911.9	912.4	988.7 (28/6)	704.9 (5/1)
SPAIN						
Madrid SE (31/12/82)	121.62	121.69	121.96	121.56	121.96 (19/10)	98.32 (11/1)
SWEDEN						
Jacobson & P. (1/1/58)	1418.71	1420.35	1411.28	1452.80	1529.60 (6/9)	898.18 (5/1)
SWITZERLAND						
SwissBankCpn. (31/12/58)	343.5	342.3	342.6	345.8	347.0 (4/8)	294.4 (4/1)
WORLD						
Capital Intl. (1/1/70)	—	180.3	179.7	180.3	185.8 (10/10)	164.5 (5/1)

(**) Saturday Oct. 15: Japan Nikkei-Dow 9284.74; TSE 682.81

Base values of all indices are 100 except Australia All Ordinary and Metals—500. NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 Industrial. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

FOREIGN EXCHANGES

Dollar eases

The dollar lost ground in currency markets yesterday in rather quiet trading ahead of the weekend. There was little incentive to hold long dollar positions ahead of the announcement of U.S. M1 money supply figures, with the latter expected to show a small decline. Signs of further economic growth and the implications of possible constraints on the Fed's ability to ease monetary policy appeared to have little effect. There was little inspiration derived from virtually static Euro-dollar rates.

The dollar closed at DM 2.5825 from DM 2.5885 on Thursday and SwFr 2.0995 compared with SwFr 2.1040. It was also lower against the French franc at FFr 7.8925 from FFr 7.9100 and Y232.35 from Y232.50 despite a half point cut in the Japanese discount rate to 5 per cent.

On Bank of England figures the dollar's trade weighted index fell from 125.7 to 125.6.

Sterling showed very little change from Thursday and was largely neglected in quiet pre-weekend trading. Against the dollar it traded in a narrow range of $1.4980-$1.5030, having opened at $1.5005-$1.5015. It closed at $1.5015-$1.5025, a rise of 35 points. Its trade weighted index was unchanged at 83.3, having stood at 83.3 at noon and 83.2 at the opening.

Against the D-mark it was unchanged at DM 3.88. It was also unchanged against the Swiss franc at SwFr 3.1550 and the French franc at FFr 11.85. It rose slightly against the Japanese yen, however, to Y349½ from Y348½.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU October 21	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9008	45.9454	+2.33	+1.93	±1.5447
Danish Krone ...	8.14104	8.15646	+0.19	-0.21	±1.6425
German D-Mark	2.24184	2.25000	+0.36	-0.04	±1.0642
French Franc ...	6.87456	6.87809	+0.05	-0.35	±1.4052
Dutch Guilder ...	2.52595	2.53146	+0.22	-0.18	±1.4954
Irish Punt	0.72569	0.726190	+0.07	-0.33	±1.6689
Italian Lira	1403.49	1370.74	-2.33	-2.33	±4.1505

Changes are for ECU, therefore positive change denotes a week currency. Adjustment calculated by Financial Times.

THE POUND SPOT AND FORWARD

Oct 21	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.4980-1.5030	1.5015-1.5025	0.02-0.07c dis	-0.36	0.13-0.18dis	-0.41
Canada	1.8450-1.8500	1.8485-1.8495	0.03c pm-0.07dis	-0.13	par-0.10dis	-0.11
Nethlnd.	4.34½-4.37½	4.35¾-4.36¾	1½-1c pm	3.44	3⅝-3⅛ pm	3.09
Belgium	78.90-79.30	79.12-79.22	6c pm-4 dis	0.15	par-10 dis	-0.25
Denmark	14.04-14.10	14.06-14.07	1.40-2.45ore dis	-1.64	4.75-5.90dis	-1.51
Ireland	1.2500-1.2560	1.2520-1.2530	0.30-0.40p dis	-3.35	0.96-1.05dis	-3.19
W. Ger.	3.86½-3.89	3.87½-3.88½	1½-1pf pm	3.86	3⅝-3⅛ pm	3.48
Portugal	185.00-186.00	185.40-185.90	200-445c dis	-20.84	890-1300dis	-21.64
Spain	225.50-226.25	225.65-225.95	185-300c dis	-12.89	780-875dis	-14.66
Italy	2358-2370	2360-2362	16-18 lire dis	-8.64	50-53 dis	-8.72
Norway	10.94-10.97	10.94¾-10.95¾	2.90-3.60ore dis	-3.56	9.95-10.70dis	-3.77
France	11.82½-11.87	11.84½-11.85½	2¾-3¼c dis	-3.29	12½-14½dis	-4.56
Sweden	11.62-11.67	11.64-11.65	2.70-3.25ore dis	-3.06	7.55-8.45dis	-2.75
Japan	347-351	348¾-349¾	0.86-0.78y pm	2.78	2.47-2.32 pm	2.74
Austria	27.20-27.35	27.26-27.31	8-6⅝gro pm	3.22	21¾-16 pm	2.77
Switz.	3.14-3.16½	3.15-3.16	1⅜-1⅛c pm	5.23	4⅛-3¾ pm	4.91

Belgian rate is for convertible francs. Financial franc 80.40-80.50. Six-month forward dollar 0.21-0.26c dis. 12-month 0.45-0.55c dis.

THE DOLLAR SPOT AND FORWARD

Oct 21	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4980-1.5030	1.5015-1.5025	0.02-0.07c dis	-0.36	0.13-0.18dis	-0.41
Ireland†	1.1985-1.2010	1.1985-1.1995	0.31-0.27c pm	2.90	0.84-0.78 pm	2.70
Canada	1.2305-1.2315	1.2310-1.2315	0.04-0.02c pm	0.29	0.11-0.09 pm	0.32
Nethlnd.	2.9015-2.9080	2.9030-2.9050	0.95-0.85c pm	3.72	2.57-2.47 pm	3.47
Belgium	52.65-52.75	52.71-52.73	4-2c pm	0.68	4-1 pm	0.19
Denmark	9.3550-9.3670	9.3575-9.3625	¼-1¾ore dis	-1.28	2.35-2.85dis	-1.11
W. Ger.	2.5775-2.5850	2.5820-2.5830	0.91-0.86pf pm	4.11	2.49-2.44 pm	3.82
Portugal	123.40-123.75	123.40-123.70	130-290c dis	-20.40	450-850dis	-21.04
Spain	150.25-150.60	150.25-150.35	170-200c dis	-14.76	505-575dis	-14.36
Italy	1572-1574	1572-1573	10.30-10.80lire d	-8.05	32.25-33.25d	-8.33
Norway	7.2960-7.3100	7.3025-7.3075	1.80-2.10ore dis	-3.20	6.00-6.30dis	-3.37
France	7.8800-7.9100	7.8900-7.8950	1.90-2.10c dis	-3.04	7.90-8.30dis	-4.10
Sweden	7.7500-7.7630	7.7625-7.7675	1.65-1.85ore dis	-2.70	4.35-4.75dis	-2.34
Japan	231.50-233.00	232.30-232.40	0.67-0.57y pm	3.20	1.85-1.75 pm	3.10
Austria	18.14-18.17	18.14-18.15	5.80-5.20gro pm	3.63	15.75-13.75pm	3.25
Switz.	2.0950-2.1050	2.0980-2.1000	1.00-0.95c pm	5.57	2.78-2.73 pm	5.25

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 53.54-53.57.

EXCHANGE CROSS RATES

Oct. 21	Pound St'rling	U.S. Dollar	Deutschem'k	JapaneseYen	FrenchFranc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.502	3.880	349.3	11.85	3.155	4.365	2361.	1.849	79.17
U.S. Dollar	0.666	1.	2.583	232.5	7.889	2.101	2.904	1572.	1.231	52.71
Deutschemark	0.258	0.387	1.	90.01	3.054	0.813	1.124	608.5	0.477	20.40
Japanese Yen 1,000	2.863	4.301	11.11	1000.	33.93	9.034	12.49	6760.	5.294	226.7
French Franc 10	0.844	1.268	3.274	294.7	10.	2.662	3.681	1992.	1.560	66.81
Swiss Franc	0.317	0.476	1.230	110.7	3.756	1.	1.383	748.3	0.586	25.09
Dutch Guilder	0.229	0.344	0.889	80.06	2.716	0.723	1.	541.2	0.424	18.15
Italian Lira 1,000	0.424	0.636	1.643	147.9	5.019	1.336	1.848	1000.	0.783	33.53
Canadian Dollar	0.541	0.812	2.098	188.9	6.409	1.706	2.359	1277.	1.	42.82
Belgian Franc 100	1.263	1.897	4.901	441.1	14.97	3.985	5.510	2982.	2.335	100.

MONEY MARKETS

Further shortage

UK clearing bank base lending rate 9 per cent (since October 4 and 5)

Day to day credit was in short supply in the London bullion market yesterday. The Bank of England forecast a shortage of around £750m with factors affecting the market including maturing assistance and a take up of Treasury bills together draining £327m and Exchequer transactions a further £155m. There was also a rise in the circulation of £232m.

The Bank gave assistance in the morning of £558m. This comprised purchases of £24m of eligible bank bills in band 1 (up to 14 days) and in band 2 (15-33 days) £1m of Treasury bills and £166m of eligible bank bills at 9 per cent. In band 3 it bought £11m of Treasury bills and £138m of eligible bank bills (34-63 days) at 8⅞ per cent and in band 4 (64-91 days) £3m of local authority bills and £215m of eligible bank bills at 8⅞ per cent.

In the afternoon the Bank bought £12m of local authority bills and £30m of eligible bank bills in band 2 at 9 per cent and £21m of eligible bank bills in band 3 at 8⅞ per cent. In band 4 it bought £38m of Treasury bills, £36m of local authority bills and £30m of eligible bank bills all at 8⅞ per cent. It also provided late assistance of £55m, making a grand total of £780m.

LONDON MONEY RATES

Oct. 21 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills	Eligible Bank Bills	Fine Trade Bills
Overnight	—	7-9½	9-9¼	—	—	9½-9½	7-9¼	—	—	—
2 days notice	—	—	9-9⅛	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	9⅛	—	—	—
7 days notice	—	9⅛-9¼	9-9¼	—	—	—	—	—	—	—
One month	9⅜-9⁷⁄₁₆	9⁷⁄₁₆-9⅝	9⅜-9¼	9¾-9½	9¼	9½-9⅝	—	—	—	—
Two months	9⅜-9½	9¼-9⅜	9⅜-9⅝	9¾-9½	9¼	—	—	—	—	—
Three months	9⁷⁄₁₆-9⁹⁄₁₆	9⁷⁄₁₆-9⅝	9⁷⁄₁₆-9⅝	9⅝-9⅝	9⅜	—	—	—	—	—
Six months	9¹⁹⁄₃₂-9¾	9⁷⁄₁₆-9⅞	9⅝-9¹³⁄₁₆	9½-9¼	9⅝	—	—	—	—	—
Nine months	9⁹⁄₁₆-9¹⁵⁄₁₆	9⅝-9¾	9⅝	10-9⅝	9¾	—	—	—	—	—
One year	9½-9⅞	9⅞-9⅞	9⅝-9¾	10-9¾	9⅞	—	—	—	—	—
Two years	—	—	10⅛	—	—	—	—	—	—	—

ECGD Fixed Rate Export Scheme IV. Average Rate for interest period September 7 to October 4, 1983 (inclusive) 9.719 per cent.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 10¾ per cent; four years 10⅞-11 per cent; five years 11-11¼ per cent. Bank bill rates in table are buying rates for prime paper. Buying rates for four months' bank bills 8¹⁵⁄₁₆ per cent; four months trade bills 9⁵⁄₁₆ per cent.

Approximate selling for one-month Treasury bills 9 per cent. Approximate selling rate for one-month bank bills 9 per cent: two months 8²⁹⁄₃₂ per cent and three months 8²⁹⁄₃₂ 9 per cent; two months 8⅞ per cent; trade bills 9¹⁵⁄₃₂ per cent; two months 9²⁵⁄₃₂ per cent and three months 9⅜ per cent.

Finance House Base Rate (published by the Finance Houses Association): 10 per cent from October 1, 1983. London and Scottish Clearing Bank Rates for lending: 9 per cent. London Deposit Rates for sums at seven days' notice: 5½ per cent.

Treasury Bills: Average tender rates of discount 8.8398 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 9½ per cent; one-three months 9½ per cent; three-six months 9½ per cent; six-12 months 10 per cent. Under £100,000 9¼ per cent from October 6. Deposits held under Series 4-5 10 per cent. The rate for all deposits withdrawn for cash 8 per cent.

EURO-CURRENCY INTEREST RATES
(Market closing rates)

Oct. 20	Short term	7 days notice	Month	Three Months	Six Months	One Year
Sterling	9-9¼	9-9¼	9⅜-9½	9⅜-9⅝	9⅝-9¾	9⅞-10⅛
U.S. Dollar	9¼-9½	9¼-9½	9½-9⅝	9⅝-9¾	9⅞-10	10⅛-10¼
Can. Dollar	8¾-9¼	8¾-9¼	9-9¼	9¼-9½	9½-9¾	9¾-10
D. Guilder	5¾-5⅞	5¾-5⅞	5⅞-6	6-6⅛	6¼-6⅜	6½-6⅝
S. Franc	2⅛-2⅝	7¼-7½	5⅛-5¼	5¼-5⅜	5⅜-5½	5½-5⅝
Deutschm'rk	5⁷⁄₁₆-5⁹⁄₁₆	5⁷⁄₁₆-5⁹⁄₁₆	5⅝-5¾	5¾-5⅞	5⅞-6	6⅛-6¼
French Franc	12⅛-12⅝	12⅛-12⅝	12½-13	13⅛-13⅝	13⅝-14⅛	14⅝-15⅛
Italian Lira	16-17	15¼-16¾	16¾-17¾	17-18	17⅛-18⅛	17½-18½
Belg. Franc						
Conv.	8-8½	8¼-8¾	8½-9	9¼-9¾	9¾-10¼	10-10½
Fin.	7½-8	8½-8¾	8½-9	9¼-9¾	9⅝-10⅛	10-10½
Yen	6⅛-6⅜	6⅛-6⅜	6⅛-6⅜	6⅛-6⅜	6⅛-6⅜	6⅛-6⅜
D. Krone	11⅛-11⅝	11½-12	11¾-12¼	10⅞-11⅜	10¾-11¼	10⅝-11⅛
Asia $ (Sing.)	9⅝-9½	9⅝-9⅝	9⅝-9⅝	9⅝-9¾	9⅞-10	9⅞-10

OTHER CURRENCIES

Oct. 21	£	$		£ Note Rates
Argentina Peso	22.23-22.30	14.82-14.85	Austria	27.15-27.45
Australia Dollar	1.6295-1.6315	1.0850-1.0855	Belgium	80.00-80.80
Brazil Cruzeiro	1,198.8-1,205.7	799.0-803.0	Denmark	14.00-14.14
Finland Markka	8.4400-8.4600	5.6220-5.6240	France	11.80-11.92
Greek Drachma	138.80-139.40	92.50-92.80	Germany	3.85½-3.89½
Hong Kong Dollar	11.68½-11.70½	7.785-7.795	Italy	2345-2375
Iran Rial	129.60*	86.60*	Japan	348-352
Kuwait Dinar (KD)	0.4350-0.43545	0.2897-0.2898	Netherlands	4.34½-4.38½
Luxembourg Fr.	79.12-79.22	52.71-52.75	Norway	10.90-11.00
Malaysia Dollar	3.5150-3.5250	2.3415-2.3435	Portugal	185-212
New Zealand Dlr.	2.2580-2.2630	1.5035-1.5060	Spain	219½-234½
Saudi Arab. Riyal	5.2250-5.2290	3.4799-3.4802	Sweden	11.60-11.70
Singapore Dollar	3.20-3.21	2.1310-2.1330	Switzerland	3.14½-3.17½
Sth African Rand	1.6935-1.6955	1.1275-1.1290	United States	1.49-1.51
U.A.E. Dirham	5.5135-5.5185	3.6720-3.6730	Yugoslavia	194-211

* Selling rates.

Oct 20: The rate for the Cruzeiro should have read 1,197.55-1,204.20; the rate for the New Zealand $ should have read 2.2560-2.2810.

FT LONDON INTERBANK FIXING
(11.00 a.m. OCTOBER 21)

3 month U.S. dollars		6 month U.S. dollars	
bid 9 1/2	offer 9 5/8	bid 9 5/8	offer 9 3/4

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

COMMODITIES AND AGRICULTURE

WEEKLY PRICE CHANGES

¹ Unquoted. (g) Madagascar. (u) Nov. (z) Jan. (x) Dec. (v) Oct-Nov. (w) Nov-Dec. § Ghana cocoa.

REVIEW OF THE WEEK

Producer price rises boost zinc

BY OUR COMMODITIES STAFF

ZINC was the star performer on the London Metal Exchange (LME) this week with the cash quotation ending £23 higher at £595.50 a tonne, a nine-year high.

The rise was encouraged early on by expectations of a production cut by Mitsui of Japan and then, more importantly, by rumours that further price rises were to be announced by European producers because of the curmrent shortage of high grade zinc.

The rumours were fully justified by rises towards the end of the week which exceeded most analysts expectations. Noranda raised its price $55 to $935 as did Outokumpo of Finland and Electrolytic of Australia. But Metallgesellschaft and Penarroya settled for a $45 rise to $925 a tonne.

The producer price rises prompted substantial speculative buying yesterday but the upsurge was checked late in the day by profit-taking sales.

A further bullish influence on the zinc market during the week was the higher-than-expected price level asked by suppliers at a U.S. mint tender.

Reports of growing consumer demand in the U.S. and Europe underpinned LME lead prices helping cash metal to close the week £4.50 higher at £288.25 a tonne. LME warehouse stocks of lead decreased by 20,000 tonnes last week and many traders were forecasting a similar cut for this week.

In contrast to the other metals copper finished well down on the week with cash high grade cathodes losing £7.50 to £965.50 a tonne despite recovering £4 yesterday.

Talks of an Iraq/Iran ceasefire, coupled with a 12th successive weekly rise in LME stocks, got the market off to a weak start and continued lack of buying interest, reflected in further producer price cuts, saw market prices slip still lower. Yesterday's rally was in line with the rise in the gold price, dealers said.

"Soft" (non-metal) commodity markets were mostly quiet this week. Cocoa and coffee prices remained within their recent narrow ranges ending £23 down at £1,425.50 a tonne and £26 up at £1,900.50 a tonne respectively. Rubber was featureless with the RSS No 1 spot position on the London physical market finishing 1p down at 78p a kilo.

There was some activity, however, in the world sugar market. The London daily raws price ended £4 down at £158.50 a tonne while the March position on the London futures market lost £8.075 to £175 a tonne.

Reports that Cuba was being forced to buy 100,000 tonnes of sugar to help meet export commitments within its 2.4m tonnes International Sugar Agreement Quota failed to discourage the downtrend which was established early in the week. Dealers attributed the price slide to a continued lack of consumer buying interest and reports of a better than-expected Soviet Union crop.

World sugar consumption for 1984 will be a little over 95m tonnes compared with around 93.3m tonnes this year, London merchant C. Czarnikow estimated in its latest sugar review. But it warned that its estimates were only as good as the past data on which they were based.

BASE METALS

Amalgamated Metal Trading reported that in the morning cash higher grade traded at £991, 91.50, 92.00, 92.50, 92.00. Cathodes: Cash £960. Kerb: Higher Grade: Three months £991, 90.50, 90, 89. Afternoon: Higher Grade: Three months £991.50, 92, 91.50, 91, 90.50, 90, 91, 90, 89, 88.50. Kerb: High Grade: Three months £990, 89.50, 89, 88.50, 88. Turnover: 20,575 tonnes.

COPPER

ALUMINIUM

70.50, 70, 68. Afternoon: Three months £1070, 69, 68, 67, 68, 69, 68.50, 69, 68, 67.50, 67, 68, 68.50, 68. Kerb: Three months £1068, 69, 68.50, 68, 67, 66.50, 66, 66.50. Turnover: 19,500 tonnes.

Aluminium	a.m. Official	+ or −	p.m. Unofficial	+ or −
Spot	1044.5	−3	1043.4	−1

NICKEL

TIN

SILVER

LEAD

ZINC

COCOA

Sales: 4,006 (2,768) lots of 5 tonnes. ICO indicator prices (U.S. cents per pound) for Oct 20: Comp daily 1979 136.47 (136.49); 15-day average 134.94 (134.48).

COFFEE

GRAINS

Business done—Wheat: Nov 121.10-20.40, Jan 124.25-3.90, March 126.75 only, May 130.15-29.85, July 133.15-2.80; Sept 118.00-7.80. Sales: 377 lots of 100 tonnes.

POTATOES

SOYABEAN MEAL

SUGAR

RUBBER

WOOL FUTURES

INDICES

FINANCIAL TIMES

Oct. 20	Oct. 19	M'th ago	Y'ar ago
286.48	288.65	292.27	230.10

(Base: July 1 1952=100)

REUTERS

Oct. 21	Oct. 20	M'th ago	Y'ar ago
1911.7	1912.2	1863.9	1512.7

(Base: September 18 1931=100)

MOODY'S

Oct. 20	Oct. 19	M'th ago	Yearago
1033.5	1038.3	1061.1	990.2

(Base: December 31 1974=100)

DOW JONES

(December 31 1931=100)

LONDON OIL SPOT PRICES

GAS OIL FUTURES

GOLD MARKETS

LONDON FUTURES

AMERICAN MARKETS

NEW YORK, October 21

Gold and silver values were contained in a tight range as most traders retreated to the sidelines ahead of the weekend; some light support was evident late in the session on the precious metals inability to react to a sell off in currencies and the weakness to stocks. Cocoa was firm in later afternoon trade as trade buying developed touching off short-covering in response to reports of continued dry weather in the cocoa zone. Sugar's ability to hold recent lows prompted short-covering late in the session. Coffee came under light selling pressure from producer sales which was about offset by light roaster buying with market trading fractionally higher. Heating oil prices were fractionally higher on very limited action with cash markets largely inactive. Copper prices were again under renewed technical pressure with commission house and local selling thwarting all attempts to rally. Cotton prices edged higher as traders attempt to assess the recent flood damage to the Texas crop; trade appears to be a willing seller at the new high levels. Grains and soyabeans finished strong on professional short-covering following recent setbacks: technically the market it attempting to form a major bottom around present levels, reports Heinold Commodities Ltd.

NEW YORK

COCOA 10 tonnes, $/tonnes

	Latest	High	Low	Prev
Dec	1989	1989	1957	1959
March	2015	2018	1985	1987
May	2040	2042	2018	2010
July	2055	2055	2050	2034
Sept	2070	2067	2060	2055

SUGAR WORLD "11" 112,000 lbs, cents/lb

	Close	High	Low	Prev
Jan	10.18	10.25	10.20	10.10
March	10.68	10.69	10.55	10.54
May	11.07	11.08	10.93	10.94
July	11.40	11.40	11.26	11.26
Sept	11.65	11.65	11.50	11.54
Oct	11.78	11.79	11.65	11.70

CHICAGO

COTTON

STOCK EXCHANGE DEALINGS

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which the business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Talisman system; they are not in order of execution but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List the latest recorded business in the four previous days is given with the relevant date.

‡ Bargains at special prices. ● Bargains done the previous day. △ Bargains done with non-member or executed in overseas markets.

UK PUBLIC BOARDS

COMMONWEALTH GOVT

FOREIGN STOCKS

(Coupons payable London)

CORPORATION STOCKS

(Foreign)

BANKS, DISCOUNT

BREWERIES

COMMERCIAL INDUSTRIAL

A—B

C—D

E—F

G—H

GEI Intnl 10pcLn 1987-92 £83 (18/10)
Gale, Lister 10pcLn 1987-92 £94 (17/10)
Garford-Lilley Inds (5p) 38 (18/10)
Garner Booth 85 (19/10)
Gaunt (Rowland) 170 3

I—J—K

L—M

N—O—P

Q—R—S

Redman Heenan Int 4¼pc2ndPf (£1) 66 (17/10)
Reed (Austin) 155 (18/10)

T—U—V

W—Y—Z

FINANCIAL TRUSTS

INSURANCE

INVESTMENT TRUSTS

Globe Invest 5¼pcLn 1987-91 £133 (18/10)
Greenfriar Invest Wrts 170 (18/10)
Hambros Invest 6·17pcDb 2018 £107¼ (19/10)

Heron Cap 10¼pc1stDb 1996-2001 £91 (18/10)
House Prop Co London (50p) 180 (19/10)

UNIT TRUSTS

MINES—MISCELLANEOUS

MINES—SOUTH AFRICAN

OIL

PROPERTY

PLANTATIONS

RAILWAYS

SHIPPING

UTILITIES

WATER WORKS

Freshbake Foods (5p) 69 70 1 2
Fuller, Smith Turner A (£1) 470
Gilbert House Invsts (10p) 19 20
Gould (Laurence) 113 (18/10)
London Continental Advert Hldgs (5p) 37
8. 11¼pcLn 1995-2003 £185 (17/10)
Malaysian Hldgs (10p) 71 (19/10)
Metal Sciences (Hldgs) 2.50 35 30
Microgen Hldgs (10p) 385 8 (14/10)
New Court Natural Resources Wts to 400 7 8 (17/10)
PCT (10p) 156
Polytechnic Marine (5p) 220 5 (18/10)
Rivlin (J D S) Hldgs (5p) 60 1 3 4
Thermac (5p) 40 (18/10)
United Friendly Insurance B (10p) (17/10)

RULE 163 (2)

Applications granted for specific bargains in securities not listed on any Stock Exchange.

All England Lawn Tennis Ground 6300Db 1984-90 £1875 1700 (18/10)
Amalgo Metal (£1) 212 5 (18/10)
Ann St Brewery (£1) 400 5
Antelope Con B (£1) 10 ¼ (18/10)
Ascot Hldgs (10p) 17 8 9 (18/10)
Ayrton Saunders 5pc (£1) 25 6 (17/10)
Bell 4pc1stDb £27 32 (18/10)
Biotechnology Inv (US$ 0.02) 518 (18/10)
Brit Uralite (10p) 12¼ 3
Cannon St Inv (20p) 2 3 4 (19/10)
Carraun (10p) 30 2
Channel Hotels Props (10p) 31 3 (18/10)
Checkpoint Europe 433 6 (14/10)
CIC Inv (1p) 1
Cmnd Wales (£1) 80 2 3 5

Jersey Gas (£1) 200 (14/10)
Jessel Tst (5p) 8 ½
Kays Atlas Brewery 5pcPf (£10) 350 70 (19/10)
Le Riches Stores (£1) 351 4 (17/10)
Manchester London (50p) 115 8 (17/10)
Memcom Intnl (10p) 87
Merrett Hldgs (10p) 125 6
Pahang Cons 43 4 ½ (18/10)
Rangers FC (£1) £13 (18/10)
Red Rose Radio A N-vtg (10p) 22 (19/10)
Sands Hldgs (1p) 27½ 8 ½
Sthrn Newspapers (£1) 198 9½
Sth Quay Inv (£1) 103 5 (19/10)
TR Nth American Inv Tst 4pcDb 1980-90 £64½ 5½
Taddale (10p) 43 4 (14/10)
Utd Two Areas (12½p) 9 11
W De La Mare (£1) 400 (18/10)

RULE 163 (4) (a)

Bargains marked in securities where principal market is outside the UK and Republic of Ireland. Quotation has not been granted in London and dealings are not recorded in the Official List.

ACI Intnl 8 5 (19/10)
AOG Mins 13 (14/10)
Acmex Hldgs 380 (18/10)
Acorn Secs 48 (17/10)
Adobe Oil Gas £14 (17/10)
Aetna Life Casualty £24¼ (14/10)
Agnico-Eagle Mines 862½ (19/10)
Alliance Oil Dev 54 (19/10)
Amatil 155 (18/10)
Amerada Hess £22¼ (17/10)
American Home Prods £35
American Std £22½ (19/10)

Westinghouse Elec £32 (19/10)
Zone Pet 1406

RULE 163 (3)

Dealings for approved companies engaged solely in mineral exploration.

Aran Energy New (IR£0.20) fp 8¼ 7 8 ½
Kenmare Oil Explrn (IR£0.25) 7
Bryson Oil Gas (20p) 175 86 90 5

(By permission of the Stock Exchange Council)

Authorised Units—continued

Offshore and Overseas—continued

Target Trust Mngrs (Jersey) Ltd
PO Box 194, St Helier, Jersey. 0534 27441
Mgd Cur Fd 96.7 101.9
Tyndall-Guardian Management Ltd
PO Box 1256, Hamilton, Bermuda
T-G Am $23.19
T-G Money $21.65

Insurances—continued

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Alcoa emerges with strong third quarter recovery

BY TERRY DODSWORTH IN NEW YORK

ALUMINUM Company of America (Alcoa), the U.S.'s largest aluminium producer, is forecasting a buoyant market for the foreseeble future after a third quarter recovery which saw shipments increase by 23 per cent.

Mr Charles Parry, chairman, said yesterday that order rates were extremely strong in many product areas for the fourth quarter and the company saw this trend continuing well into 1984. Smelters operating rate was currently running at 94 per cent of rated capacity, and Alcoa was planning to increase this to 99 per cent by the end of the year.

Having broken out of losses in the second quarter, Alcoa reported yesterday that third quarter earnings had risen to $57.7m net, against losses of $14.4m a year ago.

These figures include an extraordinary gain of $9.7m and inventory profits of $16.5m, but they also take in a non-recurring charge of $4.6m.

Third quarter shipments totalled 481,000 metric tons against 392,000 a year ago, while in the nine months Alcoa has shipped 1,348,000 metric tons compared with 1,188,000.

Sales in the quarter rose by 21 per cent to $1.15bn and were 5.6 per cent ahead at $3.79bn for the nine months.

Alcoa of Australia also reports improved earnings. Third quarter 1983 profit was A$16.4m (US$ 15.1m), against A$12.5m in the second quarter and A$14.3m in the third quarter last year.

However, for the nine months profits are 31 per cent lower at A$35.4m. Alcoa has been charging interest on its mothballed Wagerup alumina refinery since July 1982, and on its Portland aluminium smelter on which work was suspended last year, since January 1983.

"As a result," said Alcoa yesterday "interest expensed against profit for the nine months of 1983 was A$76m (previously A$43.1m), while interest deferred for the first nine months of 1983 was A$3.5m (A$38.5m)."

Because of Wagerup's completion and Portland's deferral, capital expenditure in the first nine months was only A$53.9m against A$203.3m.

Profit for the nine months benefitted by A$12m as a result of the Australian dollar's historically low exchange rate.

Saba hit by mounting deficit

By David Brown in Stockholm

SABA, the Swedish retail and wholesale trading group, report an almost three-fold rise to SKr 91m ($11.8m) in pre-tax losses for the first eight months of 1983.

Sales improved by 3 per cent to SKr 10.8bn, but the upturn masked a decrease in volume of 2.2 per cent, the company says. Costs rose steeply and operating profits, after depreciation, deteriorated to SKr 18m, against SKr 102m.

Saba blamed government policies for its weak retail sales volume. These included a price freeze, an increase in VAT and last October's devaluation of the krona.

Demand is expected to improve over the final months of the year which, taking in the Christmas period, are a seasonal high point for sales. Even so, the results for the year are forecast to show a deterioration on 1982 when pre-tax profits totalled SKr 131m.

Harvester agrees major debt plan with creditors

BY WILLIAM HALL IN NEW YORK

INTERNATIONAL Harvester, the debt-stricken farm machinery group, has agreed in principle with its 200 lenders a refinancing plan which should put its medium term finances on a much stronger footing.

The plan involves a substantial part of the group's current $3.5bn of bank debt being converted into equity and means that the banks could end up owning as much as half of the troubled company's common stock.

The proposed agreement, which is backed by 20 leading banks which are owed roughly half the total Harvester debt, has to be ratified by the rest of the banks involved and this is expected to be completed before the present loan agreement expires on December 15, 1983.

Unlike the earlier agreement, the new deal covers a longer time scale and is intended to ensure that Harvester does not need to return for another refinancing before an upturn in the world farm machinery market.

Under the proposed agreement, Harvester will pay its bankers $126m in cash. The private lenders will convert $405m in debt, all the outstanding warrants and all the series B preferred stock they now hold into 600,000 of new series E redeemable convertible preferred stock which matures in 25 years.

The remaining $900m of Harvester's private debt will also be restructured into a $300m six-year term loan maturing in September 1989 with amortisation delayed until March 1986; $200m of 12 year notes will be issued with detachable warrants to purchase 8m shares of common stock. A $400m revolving credit agreement maturing in 1987 has been arranged.

Mr Donald Lennox, Harvester's chairman and chief executive, said that "once the new agreements are finalised we can manage our business in 1984 and beyond with the secure knowledge that a strong financial framework is in place.

"This will allow us to focus on new product development and on maintaining our leadership position in medium and heavy trucks and agricultural equipment."

Fujitsu and IBM in royalty deal

By Yoko Shibata in Tokyo

IBM and Fujitsu, one of Japan' leading manufacturers of mair frame computers, have cor cluded an agreement which i expected to entitle the U.S company to receive royalty pay ments on IBM-compatible soft ware independently develope and supplied by Fujitsu.

This agreement follow months of negotiations betweer the two companies and an agree ment between IBM and Hitachi the other major Japanese manu facturer of IBM-compatible soft ware, to pay royalties on soft ware which it has designed fo use on IBM machines. The Hitachi agreement followed an out of court settlement with IBM of a case involving th arrest of several Hitach employees on charges of indus trial espionage.

Both agreements are of con siderable importance for the two Japanese manufacturer who have had considerable inter national success in sellin machines which can be readil substituted for those of IBM However, they lag behind IBM in software.

In the past both Hitachi an Fujitsu have tried to develo software close enough to th of IBM to appeal to U.S customers but not so close a to enfringe copyright laws Both companies appear to hav decided that paying royalties t IBM is preferable to the risk o court actions over paten infringement.

Having concluded its agree ment Hitachi is now, belatedly going to launch its XA-seri computer, which correspond with IBM's top-of-the-range 308 series machines.

● Hitachi Credit, a subsidiary of Hitachi, said its unconsol dated net earnings slipped 7. per cent for its fiscal first ha ended September 30, report AP-DJ from Tokyo.

Net earnings fell to Y3.914bn (US$16.9m) from Y4.2bn a year earlier, while sales ros 15 per cent to Y110.536bn.

Case for BMF inquiry pressed by opposition

KUALA LUMPUR — Mr Fan Yew Teng, secretary-general of the opposition Socialist Democratic Party (SDP), asked the anti-corruption agency (ACA) to probe the Bumiputra Malaysia Finance (BMF) loans made to the Carrian group, Eda and Mr Kevin Hsu in Hong Kong.

Mr Teng made the request after ACA said that it has no plans to probe the BMF case because it had not been asked to do so. BMF is a wholly owned Hong Kong subsidiary of the Malaysian government-backed Bank Bumiputra.

● Malaysia's second biggest bank, Malayan Banking, made a pre-tax profit of 70.3m ringgits (U.S.$30m) for the year ended June 30 1982, up 7.9 per cent on that of the previous year.

AP-DJ

Ingersoll-Rand result remains firmly in red

BY PAUL TAYLOR IN NEW YORK

INGERSOLL-RAND, the U.S. mechanical engineering group, has reported its third consecutive quarterly loss.

The company, which managed a brief return to profitability in the fourth quarter last year, said it lost $11.5m or 65 cents a share in the third quarter compared to a loss of $3.2m or 23 cents a share last time. Sales dropped from $615m to $545m.

The latest loss brought Ingersoll-Rand's loss in the first nine months of the year to $29.1m or $1.68 a share on sales of $1.68bn compared to net earnings of $48.2m or $2.22 a share on sales of $2.11bn last time.

Mr Thomas Holmes, chairman, said: "Several of our key markets including coal mining, oil field services and construction remain depressed."

The third quarter results included a $1.5m foreign exchange loss compared to a gain of $2.9m in the second quarter this year. Mr Holmes said the company's current position, complicated by a strike at its largest domestic manufacturing plant which began on Sunday "makes our near term performance uncertain."

New orders booked in the third quarter totalled $573m compared to $595m in the second quarter and $615m in the first. New orders for the nine months totalled $1.78bn, compared to $2bn in the same period in 1982.

Mr Holmes added: "We expect our profitability to follow the upturn in capital spending and increases in domestic construction awards."

Rhone-Poulenc and Siltec link

By David Marsh in Paris

RHONE-POULENC, the French state-owed chemical company, has signed an agreement with Californian-based semiconductor company Siltec to build jointly a silicon-wafer manufacturing plant in France.

Rhone-Poulenc will also take a 10 per cent stake in Siltec. A factory will be set up next year at a cost of around $30m.

Thomson and Matra, the French state-controlled electronics companies, already have collaboration agreements in semiconductor manufacturing with Harris, Intel and Motorola of the U.S.

The Rhone-Poulenc-Siltec joint venture, split 50-50 between the two companies, will manufacture the raw material used to make integrated circuits in France.

Olympus lowers earnings forecast

TOKYO—Olympus Optical expects its pre-tax profit in the year to October 31 to be below the earlier estimated Y7bn ($30m) against Y14.42bn last year.

Slow demand for high-grade cameras and price reductions stemming from severe competition have reduced both profit and sales.

The company will announce full-year results in mid-December.

Full year sales are expected to be slightly below the earlier predicted Y110bn, compared with Y108.95bn last year.

But results will improve next year. Good sales by the machinery division are expected to continue and new models are expected to raise sales and profits in the camera division.

The machinery division has reported good sales of medical analysers, microscopes and laser-optical pickup systems.

The company earlier announced a Y1 increase in its total dividend for the current year to Y13.

Reuter

Agnellis sell Lloyd Adriatico stake

BY JAMES BUXTON IN ROME

THE AGNELLI family, which controls Fiat, is to sell its 40 per cent stake in the Lloyd Adriatico insurance company only a year after it acquired it.

The parting, which both sides emphasise is on cordial terms, appears to be a direct result of the Agnellis' purchase earlier this year of control of Toro, another insurance company. The other shareholders of the Trieste-based Lloyd Adriatico regarded this as a conflict of interest.

The Agnellis bought 40 per cent of Lloyd Adriatico through the family holding companies IFI and IFIL, from a holding company named INPAI, owned by Gotthard Finanz, which owns another 35 per cent of the insurance company. The price paid was said to be between L40bn ($25m) and L46bn. The price at which INPAI has repurchased the 40 per cent stake is not disclosed.

Both Toro and Lloyd Adriatico are about the same size, occupying respectively seventh and eighth place in the line-up of Italian insurance.

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

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INSURANCES

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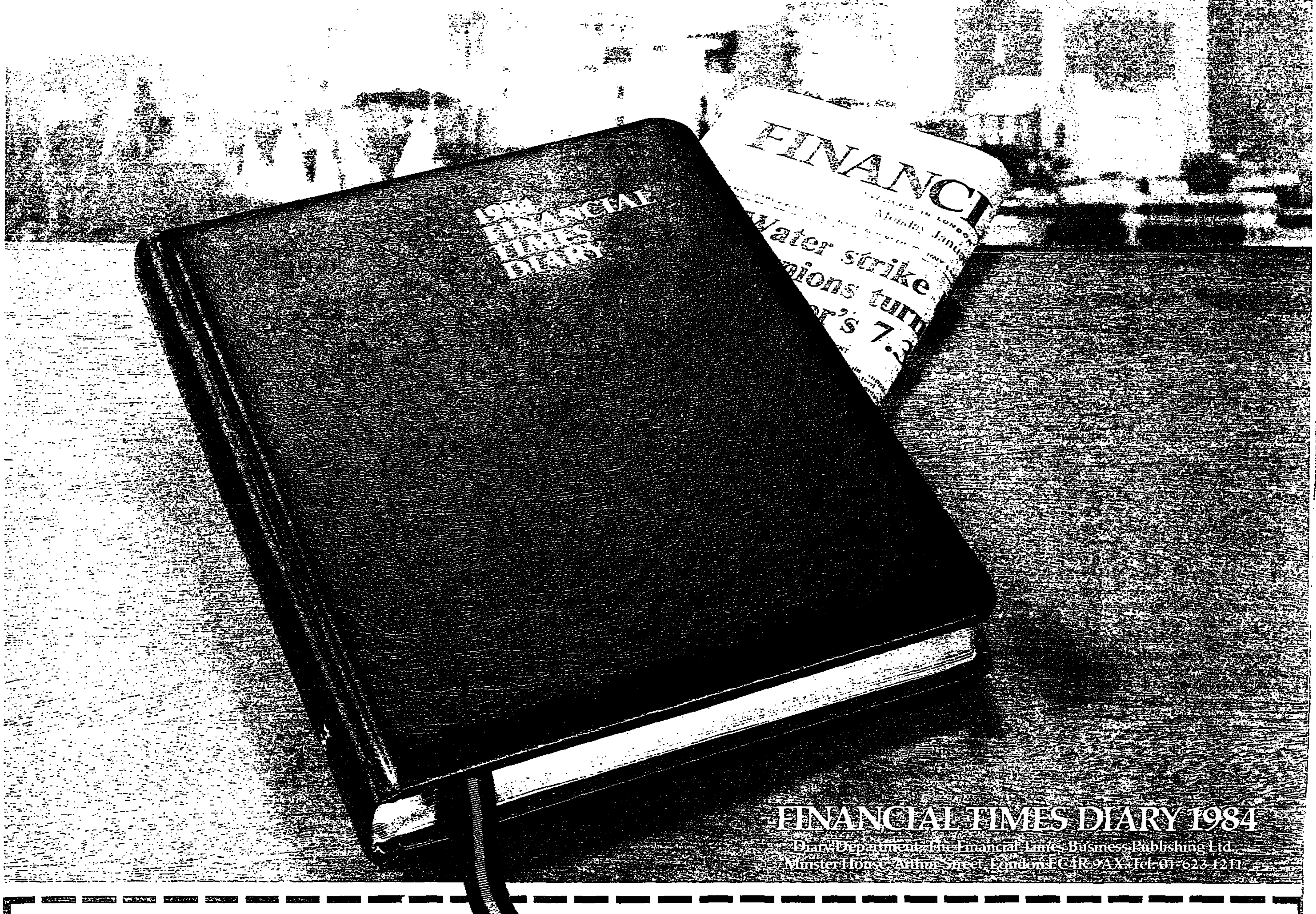

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Monty's hour

BY NIGEL NICOLSON

Monty: Master of the Battlefield 1942-1944
by Nigel Hamilton. Hamish Hamilton £12.95, 860 pages

This is the second volume of Nigel Hamilton's remarkable and affectionate biography of his hero, to whom he became, in Montgomery's old age, almost another son. It runs to 860 pages and covers only 22 months of Monty's career, from post Alamein to the liberation of Paris. A final volume will take us from this point to Monty's death. But will it not require at least two more volumes of this size to absorb the vast amount of new material available to Mr Hamilton and his excessive urge to waste none of it?

Let there be no misunderstanding. His industry and achievement are colossal. The book is a monument. He has based it upon the original documents, mostly unpublished, including Monty's diary and messages written by and to him in the field, rightly brushing aside all previous biographies and Monty's own slanted autobiographies, and has interviewed the diminishing band of his closest associates. He has pieced all this together in a thrilling narrative. The maps are the clearest I have ever seen in a military history. The illustrations are prolific and relevant.

But he has not been selective enough. Monty found it necessary to repeat himself over and over again in order to drive his plans and "principles of war" into the minds of obtuser generals, but the reader needs to be told them only once. The arguments are deployed like a regiment of tanks, impressively, but, like tanks, one argument is apt to look much like another. In the interviews, the verbosity of the tape-recorder has taken over, and while the ungrammatical recollections of ageing officers give a good idea of their personalities, the transcripts should have been more heavily pruned. The book is one-third too long.

Mr Hamilton has clearly been worried (as he confessed in his first volume) that he might be accused of attempting to whitewash or flatter. There is uninhibited admiration here, but flattery is far below his mark. His method is to state everything that could be and was, said to Monty's discredit, and then usually explain it away as trivial, ill-informed or jealous. The American historians, and our own Official History, come in for a particular drubbing. He is expert with the biographer's familiar device of escape-clauses (reviewers have them too), phrases which mildly qualify the lasting impression he desires to leave. He can admit that Monty made mistakes — in failing to control the manoeuvres which should have trapped Rommel after Alamein, or in boasting to the press that his major armoured attack east of Caen would break through the German line into open country. But the blame for Rommel's escape is laid primarily on the indolence of the Corps Commanders, when the truth is that Monty had not planned the pursuit sufficiently well ahead. The famous press conference in Normandy, which should never have been held at all, is ultimately explained as an attempt to deceive the enemy. At one point Monty's conduct is condemned outright, and the evidence is new and deeply shocking. When the Salerno beachhead ran into serious trouble, and Monty, who had landed in the toe of Italy, was urged by Alexander to hurry forward to Fifth Army's help, he deliberately halted Eighth Army for three days hoping to prove, as he had forewarned, that the strategy was senseless and bound to lead to disaster. When it succeeded, he claimed credit for saving a desperate situation which he had partly caused.

Montgomery must have been hell to command. Much of this book is concerned with his relations with his two Commanders-in-Chief: Alexander in Africa and Italy, Eisenhower in France. He liked but despised them both. He would castigate them, not only in the privacy of his diary, as unfit for high command. One is obliged to ask why, if that were so, both retained the confidence of Churchill, Marshall and Alanbrooke, and of all their subordinate generals except Monty, until the war ended. It is quite true that Alexander was gentle and on occasions indecisive, as in Sicily and at Anzio, but he, not Monty, saved Salerno, and twice, in Tunisia and by his last Italian offensive, brought about the surrender of an entire German Army Group.

Eisenhower, too, showed himself possessed of a "penetrating intellect" (Hamilton) and a grip on the battle which discredits Monty's contempt for him. "Monty looked at it solely through military eyes," said Colonel Dawnay who was close to him throughout, and the result was that in north-west Europe "he would bring the Alliance to the very brink of collapse." Those are Hamilton's honest words.

This book will confirm some of the prejudices about Montgomery with which all older readers will start, for him or against him, but it will remove many others. It convinced me that he was a truly great soldier. On a small scale, at Medenine, and on the largest, in Normandy, he displayed Napoleonic vision. Lacking even the appearance of a General (naked, he would have resembled Gandhi), he turned a defeated civilian army into Rommel-beaters. Hamilton's summing-up is incontrovertible:

"What is perhaps remarkable is that this flawed, profoundly limited individual, widowed and without close friends of his own age and experience, actually managed to achieve all that he did achieve."

Against that, what does it matter now, except marginally, that he was conceited and contemptuous, that he could treat his own mother with insufferable unkindness, that he was indiscreet and sometimes disloyal? More than any other man on the British side except Churchill he won the war for us. That is why he deserves these enormous volumes, and a biographer so skilled in doing him justice.

Monty on French soil: the second volume of the definitive biography reviewed today

Thatcher's first term

BY DAVID HOWELL, MP

The Thatcher Government
by Peter Riddell. Martin Robertson, £15.00 (£5.95 paperback) 262 pages

I would not have thought it possible to produce a worthwhile book on the 1979-83 Conservative Government at this short range. If the suggestion had been put to me I would have dismissed it on the grounds that it would be like trying to describe a new building, and assess its architectural merits, when only the foundations had been laid, when there was still mud, rubble and heavy machinery all over the site, and when people were still arguing about the design of the walls and the shape of the windows.

Yet I would have been wrong and Peter Riddell's book proves me wrong, as well as proving the dangers of too much metaphor. For by some miracle of high-speed publishing he has succeeded in giving us a remarkably comprehensive account of the trials and tribulations of the period (with one omission to which I will come), a very useful summary of the evolution of economic policy thinking to date, and an outline of the tough public spending decisions to come.

Where he is less successful—and perhaps this was an impossible task to set himself—is in answering the two central questions which he says the book is meant to address—will the change of climate endure, and is there broad positive support in the Nation for the fresh approach and policies which the 1979 Government espoused?

Of course it will be years and years before there is any kind of objective answer to these sort of questions. In the meantime we have Mr Riddell's own frankly subjective replies, which seem to be "probably yes" to the first question and "no" to the second.

Mr Riddell thinks, as I do, that there has been a permanent change in people's expectations as to what governments can or should try to deliver. But he doubts whether political stability will hold together in face of pressures to cut taxes, spend still more on public facilities and services: and in the face, too, of the growing social and geographical divisions which he believes exist.

But of course that all depends. It depends on the confidence the Government engenders that it knows where we are heading, and on its vigour and courage in facing out established interests and pushing ahead with wider capital ownership so as to unite people.

It is interesting to note, and Mr Riddell's views seem to confirm this, that the policy battles ahead will almost all be fought out on what in old politics would have been called Right-wing ground—between "Dries and Dries," so to speak. This is as one would expect. The collectivists have really nothing left to offer in face of the economic and social problems of the robotised age. Our diffused economy cannot be socialised. The old corporate world of national plans and incomes policies and tripartite strategies has been left far, far behind.

But to return to the building site for a moment. The 1979 Government arrived with one very unsuitable piece of equipment, namely the terrifying commitment to Clegg comparability. Mr Riddell reminds us that many Tories later regretted this pre-1979 commitment. Some of us regretted it vehemently before it was made.

Moreover, by May 1979 the terrain looked different from earlier plans because the oil price upheaval was well under way, meaning that we were heading into far deeper recession than anticipated. Mr Riddell describes this but I believe he significantly underestimates, as others have (and this is the omission to which I referred earlier) the huge impact of the 200 per cent rise in crude oil prices on the entire world and national scenes.

How that came about, why so little was done before the May 1979 election to warn the British people, how the tragedy of the oil price explosion was prevented from becoming an even greater catastrophe in 1980 (one which came within an ace of occurring)—these huge and largely unchronicled events perhaps deserve another book altogether. But they were central to the dilemmas of 1979-81 and indeed we are living with the financial consequences of them on the international debt scene still.

Mr Riddell describes how after oil prices calmed down the Government began to find its stride and pressed ahead with unravelling the State sector inherited from Attlee and Morrison. It always seemed to me that this was an area where the most rapid progress could be made by emphasising the positive gains to be had from a more decentralised, market-responsive economy, opening up large areas of activity and service to new enterprise and ownership, rather than playing solely on popular feelings about the awfulness of State undertakings.

I hope this positive emphasis can be the approach in the future, because it is more likely to get people to work together in an age of fearsome transition.

Indeed there will be no need at all to look for extra quarrels and conflicts. The ingredients of collision are all spread out before us in the official public expenditure projections, reinforced by a cornucopia of leaks on which Mr Riddell draws heavily—reminding us of that most homely of everyday family realities, that the sum of all the things we all want does not add up.

Moravia looks back

BY ISABEL QUIGLY

1934
by Alberto Moravia, translated from the Italian by William Weaver. Secker and Warburg, £8.50. 297 pages

The Dream of a Beast
by Neil Jordan. Chatto and Windus, £6.95. 103 pages

Sole Survivor
by Maurice Gee. Faber, £7.95. 231 pages

Kiss of Life
by Keith Colquhoun. John Murray, £8.50. 159 pages

Darconville's Cat
by Alexander Theroux. Hamish Hamilton, £8.95. 704 pages

Winter's Tale
by Mark Helprin. Weidenfeld and Nicolson, £8.95. 673 pages

The received idea of Alberto Moravia is of a realist, vehemently indeed disconcertingly exact on matters both sensuous and sensual. Not so. Part formalist, part mythmaker, he is the least realistic of novelists, in spite of a photographic method that, rather like that of Dali's paintings, gives physical exactness to objects and bodies while setting them in improbable situations. *1934* bears all the familiar Moraviaisms, at once interesting and irritating. Above all, it has the usual sense of extreme physical ugliness, even when the narrator maintains that his characters are attractive, even beautiful. From infancy to old age, Moravia's characters all seem hideous, even in a non-sexual context; and his energy and explicitness, combined with a loveless deliberation in describing them, makes their sexuality disturbing, chilly and unattractive.

1934 has an almost Jacobean plot, uproariously absurd; a central political theme which, given the time and place, is inescapable; and a pretentiousness that, as in all Moravia's tales, he almost gets away with. Without divulging a story that depends on surprise—indeed, consists of one coup de théâtre after another—I cannot describe the action in any detail. But it involves twins, identities, suicide, obsessions, an exact juxtaposition of opposite qualities, the rise of Hitler, and the early 19th-century dramatist Kleist. Set in summer on Capri, it ends with Hitler's Night of the Long Knives, far away in Berlin but directly affecting everyone.

But who is "everyone"? Every character except the narrator is bafflingly two-faced and the theme of opposing personalities is carried into politics—the anti-intellectual, voraciously promiscuous, bi-sexual, loud-mouthed, Nazi-party anti-semite being twinned with the desperate, suicidal, frigid adolescent who claims to have been raped in childhood by a man who looks like Hitler.

Well, from Shakespeare to Garbo's *Two-faced Woman* the theme of twins and mirror-images has fascinated artists and performers and here the opposition of political themes gives a through-the-looking-glass air (repetitive, left-handed, in a literal sense therefore sinister and menacing) to the more straightforward psychological, sexual and physical splits between characters.

Neil Jordan's *The Dream of a Beast* is that hardest of all tales to tell, the complete adult fantasy, "pointless," free-flying, self-perpetuating; very short, gentle, bizarre, inexplicable, creepy but not macabre. And, to my mind, beautifully accomplished. As in a dream, the senses seem heightened. The narrator is in a crumbling world, pavement cracks sprouting plants, buckled railway lines, a heat wave. He works in that most central and modern of jobs, advertising, and at home there's a wife and child. But he's turning out of himself, as it were, into something else, something not bestial in the brutal sense but animalesque. He turns furry, leathery, his features shift, his hands become paws; bandages can no longer cover what's happening, shoes must be split to enclose shell-shaped extremities. Then come new skills, adventurous climbs, flying. The world around him, like his own unfaceable appearance, changes too, there's a kind of deliquescence about it, colours fade into other colours, forms into forms.

What's objective or subjective we don't know. Is it a Caligari story, a madman's delusion? Or a *Lady into Fox*? That so much force should be enclosed in so short a narrative is impressive; and without cruelty or viciousness. The writing is extremely beautiful. Not "fine writing" but, in the most exact sense, a prose poem.

Maurice Gee's *Sole Survivor* is the final novel in a trilogy about New Zealand life. As with all sequels, it helps to know the preceding novels, *Plumb* and *Meg*; names casually dropped then having a meaning, time acquiring its own resonances, echoes and depths. But even on its own *Sole Survivor* is impressive, its title the only silly thing about it, since the narrator is Raymond Sole, cousin of the original Plumbs in a large New Zealand family and particularly involved from boyhood with the dreadful Duggie, politician and womaniser. The style is deadpan and staccato; the eye steady, rather chill; the sense of uncosiness powerful: not to be read for reassurance that all's as it used to be, in New Zealand or anywhere else. The sense of outrage, and at the same time of laconic acceptance of the outrageous, makes its tone original, memorable and strong.

Keith Colquhoun's *Kiss of Life* is one of those novels that seem to have been done rather better by others: a good read, if you take its surface, with plenty of physical surface realism, but not much else; a mild story of mild surprises.

Miss McGregor, a retired schoolmistress of 74, lives in a south coast hotel, reclusive, friendless, unenterprising. Enter a waiter of 29 who starts a tentative courtship, and a pair of hippies who "adopt" Miss McGregor as a guru. When a penniless young man proposes marriage to a well-heeled old woman, is it a marriage of convenience, a way of getting security and a passport (he's a Vietnam War deserter, and so undocumented), a case of lonely people combining to defeat loneliness, or, as one of the hippies suggests, his private kink, gerontophilia? Or can one call it love? Well, it's nice to be wanted. Miss McGregor finds, whatever the reason. And there it ends, a little in the air.

The two American blockbusters, Alexander Theroux's *Darconville's Cat* and Mark Helprin's *Winter's Tale*, defeat me: both seeming to come from the bottomless self-indulgence of the present American academic scene (*Darconville's Cat* is, in fact, a "campus" novel), the dubious marriage of Eng. Lit. and Creative Writing; fantastical without inner reason for their fantasies. Therefore (and at 704 and 673 pages respectively I say it with feeling) immensely tedious.

Harsh quest for love

BY NIGELLA LAWSON

Leila
by J. P. Donleavy. Allen Lane. £8.95. 428 pages

In *Leila*, the eponymous hero of *The Destinies of Darcy Dancer, Gentleman* returns from his vagrant adventuring to take up residence, and his 'squirarchical position,' at the ancestral pile, Andromeda Park. Waited upon by the limping, cross-eyed butler, Crooks, he sits 'warming the innards and the boulevards of one's memories' in his midwinter estate, while all around him crumbles. His homecoming is soured by the contemplation of his ever-worsening impecunious state and the woeful disintegration of his inheritance. But out of the gloom comes hope and salvation in the beauty of Leila, the most recent addition to his generally incompentent staff.

In his great quest for love, and Leila, the decadence—moral and physical—around him escalates, not without help from some of the darker blasts from his less salubrious past. Back come the sexily teutonic Miss von B. the Mental Marquis, Darcy Dancer's less than sisterly sisters, the aptly named Foxy Slattery and the pawky chancer, Rashers Ronald, who relieves Darcy Dancer of the last of his ready cash and makes off with family silver. Then, having declared love for Leila he loses her too. Bereft, desolate and broke he returns to Dublin to lose himself in debauchery. Hopeless and near-destitute, looking for love and finding heartache, he continues his doomed search for the one bright star: Leila.

Donleavy is at it again. His followers will find nothing that is new in this familiarly pungent and poignant tale of the saddened quixotic youth both escaping and searching fruitlessly. Comparable to *The Beastly Beatitudes of Balthazar B*, rather than *The Onion Eaters* or *Schultz*, *Leila* is a romance. Donleavy is at his best losing himself in Irish whimsy, enmeshing the bawdy with the sad, mixing farce with pathos to create a lyrical and yet acerbic fairy-tale punctuated with raunchy eloquence.

Leila is marked by a characteristic atemporality, both in relation to the reader, who would be at odds to locate the precise temporal setting of the novel, and within the fabric of the text itself: it is impossible to determine the actual time-span the book occupies. This sense of timelessness contributes to the magicality of Donleavy's writing and adds to its dreamy, bittersweet escapism.

In *Leila*, Donleavy's use of language is less delirious than in some of his earlier writings: much is tauter, jerkier and peculiarly less mellow. Consequently too, Donleavy seems to have veered away from the too self-consciously idiosyncratic. Perhaps all-too-comfortably unchallenging, this novel will certainly not change the face of Literature As We Know It, nonetheless *Leila* is a liltingly moving piece of writing from a wonderfully fruity romancer.

Russian hardware under scrutiny

BY ANTHONY ROBINSON

The Threat: Inside the Soviet Military Machine
by Andrew Cockburn. Hutchinson, £9.95. 283 pages

Are the Soviet armed forces somehow different and better than the rest of Soviet institutions? Are Soviet rockets vastly superior to the rest of Soviet plumbing? Are the men who plan the military manoeuvres, staff or repair the tanks and planes radically different from the scroungers, drunks and fixers who populate much of the civilian economy? These are all important questions. Hitherto most people in the West have tended to assume that the answer is—"yes."

After all, the Soviet Union spends between 14 and 18 per cent of its GNP on the military. Satisfying the bloated demands of the "metal-eaters" is the top priority of the Soviet command economy. Many of the best Soviet engineers, scientists and graduates of all kinds are attracted to the military sector by higher pay, perks and privileges—although many are put off by the thought that exposure to military secrets puts paid to any hopes of travelling abroad.

What is more military procurement-officers and progress-chasers stationed in military factories are the nearest thing to Western-style consumers. In the Soviet Union the customer is always right—provided he has enough gold braid on his epaulettes.

But is the end result really all that much better? "Niet" is the short answer from *The Threat*, Andrew Cockburn's provocative new book. As the subtitle, "Inside the Soviet Military Machine," implies, Mr Cockburn has chosen to look at the Soviet military not through glossy Pentagon pamphlets or the worst case scenarios of Nato politicians and generals but by talking to Soviet emigres who actually served in the Soviet forces, examining what is known about the actual performance of Soviet hardware—in the Middle East and Afghanistan, for example—and by talking to sceptical U.S. intelligence officers and military officials.

True, the Russians have a lot of guns. But they also have a lot of enemies. They have spent the last decades building up a blue water fleet and also large numbers of submarines. Very worrying. Except that as Mr Cockburn points out, Soviet naval bases are thousands of miles apart and access to the high seas is either blocked by ice or through narrow straits easily controlled by potential enemies. Their submarines are also very noisy.

As for their airforce, well the Mig-25 Foxbat looked very impressive from afar, but much less so when taken apart after a Soviet pilot defected to Japan. For a start the engine tended to melt if pushed too fast. Bit of a handicap that. Still, it is popular with Soviet fitters. Its hydraulic systems contain half a ton of drainable alcohol. They call it, "the flying restaurant."

The problem, according to Mr Cockburn, is that the Russians spend too much time poring over the General Dynamics ads in *Aviation Weekly*, or stealing U.S. blueprints. As a result they, like the Americans, are now saddled with planes that are too heavy, too expensive, and too complicated.

But what about the tanks? For years we have been told that Soviet tanks are not only the most numerous but also the smallest, fastest and most manoeuvrable in the world. Not on your life, according to Mr Cockburn. It is true that they are so small that they can only be driven by men like Lester Piggott. But the reason is that they are still powered by a variant of the engine which drove the T 34 back in 1938.

Tank weight has outstripped engine output so that modern Soviet tanks are more cramped, airless and sluggish than their predecessors. As for the automatic loading mechanisms — they are just as likely to load the gunners' arm or crush him into pulp by the recoil as pick up the shell.

The proof for all this? Well, look at the performance of Soviet tanks and planes in successive Middle East conflicts. In the summer of 1982 Soviet equipped Syrian forces clashed with U.S.-equipped Israeli forces. Within a few days the Israeli air force claimed 85 Syrian Migs, half of which up-to-date Mig 23's, without loss to themselves. At the same time 19 Sam 6 anti-aircraft missile batteries were put out of action, again without loss, while several hundred tanks, including about a dozen modern T-72's were also knocked out. Afghanistan is hardly a blitzkrieg either.

It is typical of Mr Cockburn's book that he describes the Lebanon performance as a source of deep embarrassment to both Soviet and U.S. top brass. The Soviets were embarrassed because of the poor performance of their top export products, the Americans because it made their claims of Soviet arms superiority, on which they base their demands on the U.S. taxpayer, look ridiculous. In the end both sides blamed the hapless Syrians.

It is all good knock-about stuff and central to Mr Cockburn's thesis that the military on both sides are basically hand-in-glove, far more absorbed in Empire-building, inter-service rivalry, and the fascination of expensive high-technology than with each other.

Except, of course, in so far as the mutual portrayal of the other side as deeply threatening and poised for that crucial strategic breakthrough is vital in pursuading the politicians to continue raising military budgets, on which, on both sides, their careers depend. In other words:

Welcome to the world of strategic analysis where we programme weapons that don't work to meet threats that don't exist.

—in the immortal phrase of former U.S. defence department strategist Ivan Selin quoted approvingly by Mr Cockburn.

After reading this book one starts to think — maybe the top Soviet defected brass are sincere when they pooh-pooh the "alleged Soviet threat." Maybe they know a thing or two more than even Mr Cockburn about the waste, the incompetence, the drunkenness, the bullying and general chicanery of the Soviet military machine and its human components.

Maybe. But an armed truce is the best we can realistically expect in our relations with the Soviets for the indefinite future. Seen from the inside the Soviet military may not frighten the enemy—but as Wellington once said under similar circumstances: "By God, they terrify me."

Child's eyes

BY VALERY McCONNELL

The Ninth of November
by Hannele Zürndorfer. Quartet Books. £7.95. 182 pages

Hannele Zürndorfer spent a misunderstood adolescence. Literally. As a German-Jewish refugee in England throughout the Second World War, she suffered the twin handicaps of a language barrier and the suspicion of people who, by the cruellest of ironies were convinced she was a Nazi spy. In this well-written and often humorous memoir of her childhood she describes the petty nastiness of the "patriotic" English couple who were outraged at having German-speaking evacuees foisted upon them.

Fortunately this unhappiness was temporary. Hannele and her younger sister, Lotte, were taken in by the local doctor's family who lived the kind of middle class English life, complete with afternoon tea and sturdy family retainers, that one only sees portrayed on wet Sunday afternoons in television showings of *Mrs Miniver*.

Her life, like her English, continued to improve. Although her v's and w's obstinately refused to be anglicised she herself eventually assimilated the constraints upon her behaviour that her temporary guardian insisted constituted correct behaviour for a proper English schoolgirl. She made close friends, did well at school and by 1945 had a good job at the Ministry of Economic Warfare. One could say that she had been lucky.

However, the title of the book betrays the suffering involved. The 9th November was "Kristallnacht"— the night of broken glass when Jews all over Germany had their homes decimated by Nazi Brownshirts.

Her home was full of beautiful things, for Hannele's father, as keen a celebrant of Easter and Christmas as the Jewish New Year, was a lover of German culture. That night 13-year-old Hannele saw her strong and adored father weep for the first time. He also decided that his protection was not enough for his little family. He made arrangements for his two children to be sent to England, where, he assured them, Mummy and Daddy would join them shortly. That was in 1939. In the spring of 1943 Hannele heard of her father's death in the concentration camp at Lodz in Poland. As her mother was never traced it was assumed she died the same way.

Finders keepers, okay?

BY JAMES FRENCH

Loot! The Heritage of Plunder
by Russell Chamberlin. Thames & Hudson, £8.95. 248 pages.

The title of this book had me worried by its tautology. After all, why not "Plunder! The Heritage of Loot"? And, are we not being persuaded that heritage is an out-word? As I read Russell Chamberlin's fascinating tales, I contemplated coining a better title. But I resigned, as if abandoning a nagging crossword clue.

There was another puzzle. How could Thames and Hudson have this book printed on glossy paper, with 120 illustrations of stolen treasures (and some of the thieves), 10 of them in colour, and published at £8.95 (admittedly net in UK only)? The answer: they had it done in Japan. The mind boggles. I would speculate that the book would cost £5 more had it been printed in Britain. However, Thames and Hudson says cost is not the only factor—quality of reproduction is a major concern, and Dai Nippon is recognised in the business as being among the world leaders.

Russell Chamberlin's research and good journalism have certainly been given superb pictorial backing.

Spiced by Miss Melina Mercouri's propaganda and her reconnaissance trip to the British Museum, *Loot!* widens the debate about not only the Elgin Marbles, but of the whole field of treasures taken from other countries in suspicious circumstances. It surely pricks the consciences of all lovers of arts and antiquities. However, would not the world's museums be duller places if they were limited only to items from the home country. Everyone would be poorer.

It was good that the famous horses of St Mark's grabbed for Napoleon ("I shall be an Attila for the Venetian state") in 1797 were restored in 1815. But, since Venice is sinking, some weight could surely be removed by restoring the horses to Constantinople, whence they were sacked in 1204.

It is a bit of a sauce that the French should call foreign treasure-pinching *elginisme* when the Scottish lord was not in the same league as Super-thief Napoleon, whose only major rival in history was Hitler.

The author also covers the disappearances of the bust of Nefertiti and Egyptian treasures, the gold of Ashanti, the Stone of Scone (hardly eligible, this symbol, and the Scots can keep it if they still have the rightful lump) and the crown of St Stephen, among others. Jamaican-born Mr Chamberlin has not gone into the loot of the treasures of the Mayans, Incas, Aztecs and other American-Indian civilisations, nor those of Asia. Maybe he has another book or two up his sleeves. I am sure that I and many others would enjoy a sequel.

Gnome Help

Answer Richard Ingrams' question in the Great Spectator Car Chase Competition and Lord Gnome will help you win the mint condition 1934 Daimler limousine that's first prize.

The Spectator
75p weekly.

Competition runs from October 21st for eight weeks.

MARKET REPORT

Gilt-edged advance continues but leading industrials falter after promising start

Account Dealing Dates

*First Dealings	Option Declarations	Last Dealings	Account Day
Oct 3	Oct 13	Oct 14	Oct 24
Oct 17	Oct 27	Oct 28	Nov 7
Oct 31	Nov 10	Nov 11	Nov 21

* "New-time" dealings may take place from 9.30 am two business days earlier.

The Chancellor's confident prediction of a lower inflation rate next year and his reassuring remarks about the extent of the economic recovery, which helped reinforce Thursday's CSO findings, enabled London equity markets to start buoyantly yesterday.

After the initial show of strength, which was a continuation of Thursday's sharp rallying movement, leading shares soon began to falter as institutional operators returned to the sidelines and scattered profit-taking developed. The tone thereafter was rather uncertain with news of the mineworkers' rejection of the Coal Board's 5.2 per cent pay offer and decision to impose an overtime ban from the end of the month tempering investment enthusiasm.

Mirroring the day's events, the FT Industrial Ordinary share index, which had followed Thursdays' rise of 12.6—its best gain since June 20—with a fresh improvement of 5 points at 10 am, drifted lower by the hour. At 3 pm it was still higher on balance, but in the after-hours' trade values were marked lower again and the index closed 1.2 down on the day. On the week, the measure was 11.3 higher.

Secondary equities were sometimes active and good gains were scored by many speculative and situation favourites. The Insurance sector quietened after the excitement generated earlier in the week by Allianz's bid for Eagle Star. Most Composites succumbed to profit-taking, but bid speculation revived noticeably in Broking concern Hogg Robinson.

Encouraged by the Chancellor's optimistic forecast on the rate of inflation and, still hopeful that the next move in U.S. interest rates would be downward, gilt-edged securities moved smartly forward. The Building Societies Association's move in effectively allowing societies to go it alone in fixing rates for borrowers and savers was also looked upon as an encouraging development.

Insurances react

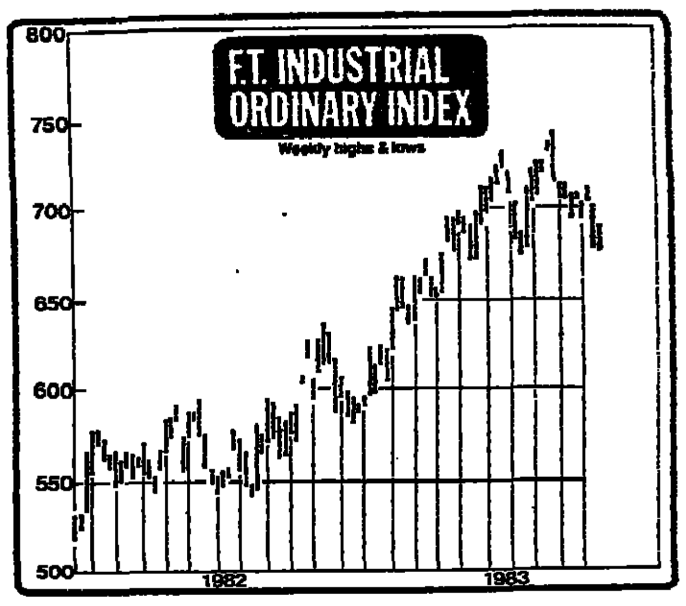
Gains at the untapped longer end of the market stretched to nearly a point, but among shorter-maturities, where the partly-paid tap stock, Treasury 9¾ per cent 1988, remains at a discount, improvements ranged to only a ¼. The FT Government Securities index reflected this week's steadier trend. At the close of 81.60 yesterday it had regained nearly half of the previous week's sharp 1.07 fall.

The new Australia "Bulldog" 11¾ per cent 2015 stock began life in £25-paid form at a point premium and after easing to 25¼ rallied later to close at 26. The £100m issue was oversubscribed and applications for large amounts of stock were scaled down quite heavily.

Eagle Star came back on profit-taking and ended 7 down on the day, but still 80 up on the week at 525p. Phoenix gave up 14 at 334p, while Commercial Union shed 6 to 159p. Royals lost 20 to 460p and Sun Alliance ¼ to £12¼. Life issues also went lower, Prudential losing 18 to 420p, Pearl 12 to 662p and Legal and General 6 to 460p. Among Brokers, Hogg Robinson touched a 1983 peak of 131p on bid speculation before closing a net 7 up at 127p. C. E. Heath firmed 5 to 293p and Stewart Wrightson gained 8 to 258p. Early interest in the major clearing banks faded and initial gains were quickly replaced by losses. Midland finished 5 cheaper on balance at 397p, after 408p, and Lloyds 8 lower at 455p, after 470p. Barclays, up to 455p initially, ended 3 off at 445p.

Technical influences prompted early firmness among leading Breweries, but most failed to capitalise on the upturn and closed well below the day's best. Whitbread touched 140p before settling a net 3 to the good at 138p: the interim results are due early next month. Grand Metropolitan closed a couple of pence up at 307p, after 311p, but Bass finished a penny off at 300p, having been 306p earlier. Among Wines and Spirits, Arthur Bell staged a modest recovery and improved 3 to 125p. Irish Distillers held at 138p: Seagram has reduced its holding to 15 per cent by placing 5 per cent of the shares at around 130p.

Leading Buildings encountered a two-way business, but sellers eventually gained the upper hand and most quotations closed a few pence lower on balance. Barratt Developments, however, sustained an above-average fall of 8 at 182p, after 180p, as recent adverse reports about timber-frame houses began to revive. Situation issues provided several other significant movements. Brownlee jumped 7 to 71p, after 73p, on the announcement that Meyer International and Globe Investment Trust has sold their respective holdings in the company totalling over 28 per cent: the shares were placed with various institutions. Meyer International finished a penny off at 137p, after 140p. News that London and Midland Industrials had acquired a 7.23 per cent stake in the company left Benford Concrete Machinery 2 dearer at 62p. UBM continued its rally following lapsing of the Norcros offer to close 2 firmer at 121½p, but Burnett and Hallamshire encountered further nervous selling aroused by lower U.S. coal prices and reacted to a year's low of 250p before settling 25 down on balance at 265p. Profit-taking in the wake of the interim results clipped 4 from F. J. C. Lilley, at 89p, but continued support ahead of next Wednesday's half-timer lifted Henderson Group 5 more to 170p.



ICI rose to 560p initially, but reacted to close 6 easier, or 22 lower on the week, at 552p.

Strong and Fisher react

Stores again lacked a decided trend. British Home, which revealed excellent first-half profits earlier in the week, attracted another brisk trade but after hardening to 215p encountered sporadic profit-taking and closed 3 cheaper on balance at 211p. J. Hepworth, 181p, and Waring and Gillow, 90p, added 3 apiece, while Harris Queensway firmed a couple of pence more to 274p. In a market none too well supplied with stock, W.W. rose 13 for a two-day gain of 18 to 132p. K. O. Boardman continued to respond to favourable comment and, additionally aided by asset injection rumours, hardened a penny more to 14p. Goodman Brothers rose 2 to 14½p following the return to profits and the dividend list.

Buoyant earlier in the week on persistent bid speculation, Strong and Fisher slipped 4 to 79p but retained a gain of 5 on the week.

Leading Electricals ended on an easier bias, GEC closing 4 down at 186p and Plessey a like amount lower at 196p. Cable and Wireless, a firm market since the Hong Kong currency moves, reacted 8 to 285p. Selected high technology stocks extended Thursday's recovery. Late support left United Scientific 16 up at 341p, CASE rose 13 to 353p and gains of around 8 were achieved by UEI, 180p, and Unitech, 200p. Automated Security rallied 12 to 142p and Security Centres 10 to 185p. Revived speculative demand lifted Arlen 13 to 170p, while the acquisition of Micro Equipment Centre prompted a rise of a penny to 15p in Audiotronic.

Interest in the Engineering leaders faded noticeably but Hawker, still in response to the interim statement, managed to harden to 292p for a gain of 18 over the week. Among secondary issues, Wm. Cook improved 2 to 41p on the increased interim dividend and profits. Speculative demand left John Brown 3 to the good at 17p, while revived EEC compensation hopes prompted a rise of 25 to 235p in Vosper. Blackwood Hodge edged up 1¼ more to 13p: the company announced earlier in the week the appointment of Mr Arthur Richards as chairman.

Early gains in leading Foods were either pared or erased. Of the significant movements elsewhere, Danish Bacon A closed 10 higher at 115p, after 120p, pending details of the Ess-Foods bid approach. Albert Fisher rose 5 to 53p on speculative interest, while William Low firmed 4 more for a two-day gain of 16 to a 1983 peak of 298p in reply to good annual results. Buying in a thin market lifted Bernard Matthews 8 to 150p. Avana improved 6 to 488p ahead of next Wednesday's interim results.

Prestige Group up

A modest initial improvement in the Miscellaneous Industrial leaders proved to be short-lived, quotations drifting back to close slightly easier on balance. Glaxo, stimulated initially by the announcement that its North Carolina subsidiary had received F.D.A. approval to market Zinacef in the U.S., improved to 755p before reacting to close unaltered on the day at 740p. Elsewhere, Prestige featured with a rise of 25 to 210p following news that the U.S. parent company, American Home Products, is contemplating the possible sale of its houseware operations. Late support lifted Bellair 40 to 580p in a restricted market, while Applied Computers rallied 15 to 340p after recent weakness on worries about Victor Technologies Sunlight Service closed 5 higher at 255p, having been down to 235p at one stage: Brengreen eased a penny to 95½, which make its share exchange offer for Sunlight worth 256.5p per share. A poor market earlier in the week on disappointment with the proposed sale of Skean Dhu, Sidlaw encountered further selling following a newspaper "sell" recommendation and lost 10 to 376p. LRC, reflecting the cancer warning about contraceptive pills, met with support and touched 110p before settling a net 6 up at 108p.

Trident TV touched 112p on speculation that the group had sold the Playboy Club and a casino, before reacting on the company's denial to close only 2 firmer on balance at 108p. Pineapple Dance Studios advanced 20 to 140p on bid hopes. Buying ahead of the preliminary results, due early in the next Account, lifted Intervision Video 4 to 31p, after 32p.

A drab Motor section featured British Car Auction, which attracted renewed support and advanced 10 to 195p: buyers could be anticipating bumper preliminary results on November 1. Lex Service, depressed recently by the surprise £19m rights issue, rallied a couple of pence but retained a fall on the week of 15 at 308p. Among Components, Bluemel gained the turn to 18p following the reduced mid-term deficit.

Fleet Holdings firmed a couple of pence to 116p on further consideration of Lord Matthews' encouraging remarks at Thursday's annual meeting concerning the Reuters flotation. Associated Newspapers, on the other hand, reacted to late selling and shed 9 to 326p. Elsewhere, investment support lifted Saatchi and Saatchi 15 to 500p despite the agency losing the Dunlop advertising account. Sir Joseph Causton, due to announce interim results next Friday, rose 3 to 59p.

Properties made progress for the fifth consecutive day, Land Securities rising another 5 to 311p, and MEPC 4 more to 221p. Samuel Properties hardened 2 to 117p awaiting Tuesday's preliminary statement, while Great Portland Estates, interim results due on November 9, put on 6 to 130p. North British Properties firmed 2 to 157p awaiting news of the Sun Life bid approach. Espley-Tyas attracted support, gaining 3 to 80p and among smaller-priced issues, M. P. Kent improved 2 to 36p. New England Properties, formerly Charles Booth, added the same amount at 19p.

In Textiles, A. J. Worthington eased 2 to 28p reflecting the closure of its knitwear manufacturing division W. H. White.

Tobaccos made modest progress under the lead of Bats, 3 better at 142p after a broker's buy recommendation. Imps, due to implement a 2p per packet cigarette price increase on Monday, added a penny at 129p.

Oils easier

Leading Oils drifted lower for want of support. BP cheapened a couple of pence to 424p and Shell gave up 4 at 562p. LASMO declined 5 to 275p, while Ultramar, at 620p, lost the previous day's gain of 10 which followed reports that production at its Indonesian liquid natural gas plants had been resumed. Tricentrol, a firm market of late on bid speculation, softened 2 to 210p on end-week profit-taking. Elsewhere, Eglinton rallied 15 to 260p and Sun (UK) Royalty improved 5 to 290p.

Dealings in Aberfoyle Plantations were suspended at 7½p pending reorganisation proposals: the company is to acquire Flamehope, a private concern, for shares.

Golds rally

A poor week in mining markets closed with South African Golds staging a modest, but welcome rally following a much steadier performance by gold and silver in American markets overnight and in London yesterday.

Gold closed 75 cents higher at $393.875 an ounce, reducing the fall on the week to $5.375.

The rally in Golds was also prompted to a lesser extent by one or two god dividend declarations by Orange Free State mines in the Anglo American group, which also announced their results for the September quarter.

Among heavyweight issues, Western Holdings were particularly well supported and moved up a half-point to £28¼ following the better-than-expected dividend and sharply increased profits.

Similar gains were seen in President Brand and President Steyn, which closed at £27½ and £28½ respectively in the wake of their good profits performances.

On the other hand, Welkom proved a major disappointment and eased 2 to 790p.

The Gold Mines index regained 6.0 to 516.0, leaving the measure some 35 points down on the week.

South African Financials generelly moved in line with Golds although "Amgold" met further selling and relinquished £1½ to £72¼ and Gold Fields of South Africa dipped a half-point to a 1983 low of £67¾, the latter despite confirmation of the proposed subdivision of the 25 cents shares into shares of 5 cents each, expected to take effect on October 31.

The London-domiciled Financials were highlighted by another exceptionally strong showing by RTZ, easily the best performer in mining markets throughout the week. Quietly steady in the early part of the week, when all other mining issues were struggling, RTZ jumped 20 on Thursday and added 7 more yesterday to close 33 higher over the five-day period.

An acute stock shortage and an improving outlook for lead and zinc were cited as prime reasons for the upsurge.

Charter Consolidated edged up 2 to 225p but Consolidated Gold Fields gave up a like amount to 485p, leaving the shares 22 cheaper on the week, reflecting nervousness over the gold market.

Australians continued to suffer from lack of interest. In the leader, Gold Mines of Kalgoorlie dropped 20 to 570p.

Traded Options finished the week on a relatively bright note with 2,648 contracts struck—1,558 calls and 1,090 puts. The week's daily average was 2,392. Business was well distributed among those in issue: Land Securities returned to the fore and recorded 178 calls and 130 puts, while Racal again attracted a lively two-way trade with 150 calls and 151 puts transacted. Premium rises tended to reflect gains in the underlying securities, although Commercial Union October 180 puts advanced 7 to 24p.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS	Fri Oct 21 1983	Thurs Oct 20	Wed Oct 19	Tues Oct 18	Mon Oct 17	Year ago (approx.)	Highs and Lows Index
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST

PRICE INDICES	Fri Oct 21	Day's change %	Thurs Oct 20	xd adj. today	xd adj. 1983 to date
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AVERAGE GROSS REDEMPTION YIELDS	Fri Oct 21	Thurs Oct 20	Year ago (approx.)	1983 Highs	1983 Lows
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

† Flat yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 28p.
CONSTITUENT CHANGE: Sotheby Park Bernet Group (46) has been deleted and replaced by Oxford Instruments Group (4).

NEW HIGHS AND LOWS FOR 1983

NEW HIGHS (27)

BRITISH FUNDS (3)
Exchqr. 2pc 1984 Treas. 10½pc 1989
Treas. 3pc 1985

AMERICANS (3)
Campbell Soup Quaker Oats
Gen. Foods Corp.

CANADIANS (1)
Bank of Nova Scotia

CHEMICALS (1)
Hoechst Ag

STORES (2)
Ramar Textiles W. W. Group

ENGINEERING (2)
Braithwaite Cooper Inds.

FOODS (2)
Low (Wm.) Pyke

INDUSTRIALS (4)
S.B. & E.A. Hoover A
Elbief Lawtex

INSURANCE (2)
Allianz Vers. Hogg Robinson

LEISURE (1)
Medminster

MOTORS (1)
Honda Motor

PROPERTY (2)
Ewart New North Westminster Prop.

TRUSTS (1)
Mid Wynd Inter.

OVERSEAS TRADERS (1)
Mitchell Cotts

PLANTATIONS (1)
Malakoff

NEW LOWS (17)

BUILDINGS (1)
Burnett & Hallam.

ELECTRICALS (4)
Eurotherm Intl. Telefusion
Murray Elecs. Do. A N-V

FOODS (1)
Clifford's Dairies

INDUSTRIALS (1)
Ryan Intl.

LEISURE (1)
Adam Leisure

PROPERTY (1)
Intl. Inc. Prop.

TRUSTS (1)
Marsan Cap. Corp.

MINES (7)
Cons. Modderfontein Welkom
Southvaal Gold Fields S.A.
Venterspost Zambia Copper
Zandpan

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No of changes	Thurs. close	Day's change	Stock	No. of changes	Thurs. close	Day's change
RTZ	23	568	+20	Sound Diffusn.	12	108	+ 7
BSR Intl.	16	160	+10	Tricentrol	12	212	+ 8
Eagle Star	14	532	−10	Bowater	11	206	+ 8
Fleet Hldgs.	14	114	− 1	Butterfield Hvy.	11	35	+ 3
Oxford Inst Nw	14	308	+ 5	Cons Gold Flds	11	487	+ 5
G.B. Papers	13	40	+ 8	Hawker Siddly	11	290	+ 8
Midland Bank	12	402	+15	ICI	11	558	+ 2

5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ending Thursday

Stock	No. of changes	Thurs. close	Change on week	Stock	No. of changes	Thurs. close	Change on week
Eagle Star	150	532	+82	Hawker Siddly	68	290	+12
ICI	103	558	−32	Midland Bank	67	402	+17
Glaxo	93	740	+35	Barclays Bank	66	448	+13
GEC	83	190	+ 7	Sound Diffsn.	65	108	− 3
Fleet Hldgs.	75	114	−14	Thorn EMI	65	587	+17
Grand Met.	73	305	− 2	Cons Gold Flds	64	487	−26
BSR Int'l.	68	160	+30	BTR	63	525xd	− 4

Midsummer Inns warning

A WARNING of a possible shortfall in full-year operating profits is made by the directors of USM quoted Midsummer Inns in their interim statement.

They say that sales in the second half are currently running below budget, and also announce the closure, to eliminate losses, of outside inns. Last year's operating profits totalled £57,000 on sales of £1.35m.

The opening 24 weeks to July 18 1983 saw a £1,000 fall in the pre-tax result to £19,000, after an exceptional charge of £6,000 (credit £5,000) with turnover at £622,000 against £565,000. Finance charges for the period were £2,000 (£1,000).

There was again no tax charge for the period and an absence this time of extraordinary items (£20,000).

Commenting on the closures the directors say that capital employed is small and the costs of closures are covered by the exceptional profit shown.

They also say this provision covers a write-down on the book value of the smaller of the company's two off-licences which is being sold. An offer for this off-licence, subject to contract, has been accepted, they add.

The company, formerly known as CAMRA (Real Ale) Investments, has opened four pubs in the last 18 months. Although all four are producing profits the directors say that their increase in contributions has not yet reached a satisfactory level.

The directors say that profitable refurbishment, and in some cases extension, of its more long-standing pubs will be pursued.

FINANCIAL TIMES STOCK INDICES

	Oct. 21	Oct. 20	Oct. 19	Oct. 18	Oct. 17	Year ago
Government Secs.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Fixed Interest	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Industrial Ord.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Gold Mines	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ord. Div. Yield	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Earnings, Yld.% (full)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
P/E Ratio (net)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total bargains	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Equity turnover £m.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Equity bargains	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Shares traded (mil)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

HIGHS AND LOWS / S.E. ACTIVITY

	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low		Oct. 20	Oct. 19
Govt. Secs.	83.60 (18.5)	77.00 (24/1)	[illegible]	49.18 [illegible]	Daily Gilt Edged Bargains	[illegible]	148.9
Fixed Int.	84.98 (21/10)	79.03 (1/2)	150.4 [illegible]	50.53 (4/1/75)	Equities Bargains	99.6	97.3
					Value	[illegible]	[illegible]
Ind. Ord.	740.4 (2/5)	598.4 (1/1)	740.4 (22/5/83)	49.4 (26/6/40)	5-day Av'ge Gilt Edged Bargains	150.4	162.9
Gold Mines	734.7 (16/2)	510.0 (20/10)	734.7 (16/2/83)	43.5 (26/10/71)	Equities Bargains	105.0	107.5
					Value	408.9	430.9

LEADERS AND LAGGARDS

Percentage changes since December 31, 1982, based on Thursday, October 20, 1983.

Newspapers, Publishing	+ 47.46	Mining Finance	+ 14.65
Other Industrial Materials	+ 41.56	All-Share Index	+ 13.62
Chemicals	+ 40.18	Property	+ 11.12
Shipping and Transport	+ 39.47	500 Share Index	+ 10.82
Oils	+ 38.54	Food Retailing	+ 9.49
Motors	+ 38.15	Health and H'sehold Products	+ 8.89
Packaging and Paper	+ 34.78	Industrial Group	+ 8.21
Other Groups	+ 29.76	Building Materials	+ 5.53
Insurance (Composite)	+ 29.35	Food Manufacturing	+ 5.13
Other Consumer	+ 28.20	Metals and Metal Forming	+ 4.59
Insurance (Life)	+ 27.33	Consumer Group	+ 4.21
Office Equipment	+ 21.88	Discount Houses	+ 1.61
Merchant Banks	+ 21.76	Capital Goods	+ 0.55
Overseas Traders	+ 21.41	Stores	+ 0.38
Financial Group	+ 20.94	Engineering Contractors	− 2.85
Banks	+ 20.91	Mechanical Engineering	− 4.08
Investment Trusts	+ 18.73	Tobaccos	− 5.69
Textiles	+ 18.70	Brewers and Distillers	− 6.90
Leisure	+ 18.62	Electricals	− 7.41
Insurance Brokers	+ 15.21	Contracting, Construction	− 7.61
		Gold Mines Index	− 8.36

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Oct 10	Oct 21	Jan 12	Jan 23
Oct 24	Nov 4	Jan 26	Feb 6
Nov 7	Nov 18	Feb 9	Feb 20

For rate indications see end of Share Information Service

Calls were arranged in Bureo Dean, Security Tag, Polly Peck, Sterling Guarantee, Fleet Holdings, Hogg Robinson, Belgrave (Blackheath), Yelverton, John Brown, Peek, ICL and Tate and Lyle. A put was done in London and Liverpool, while a double was taken out in Hogg Robinson.

RISES AND FALLS

	Rises	Falls	Same	Rises	Falls	Same
British Funds	90	8	4	317	57	136
Corpns Dom and Foreign Bonds	32	2	37	97	22	236
Industrials	302	189	916	1,142	1,619	4,274
Financial and Props	133	57	329	482	580	1,563
Oils	26	23	65	100	158	311
Plantations	3	1	17	20	20	65
Mines	53	28	87	141	308	393
Others	58	52	69	221	381	316
Totals	697	340	1,524	2,524	2,980	7,294

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change	Stock	Closing price	Day's change
Barclays Bank	445	− 3	Phoenix Assurance	334	−14
Brit. Car Auction	195	+10	Plessey	196	− 4
Brit. Home Stores	211	− 3	RTZ	575	+ 7
Eagle Star	525	− 7	Sidlaw	376	−10
Hogg Robinson	127	+ 9	Strong and Fisher	79	− 4
ICI	552	− 6	Trident TV A	108	+ 2

RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price	+ or −	Net Div.	Times Covered	Gross Yield	P/E Ratio
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price £	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. [illegible]

INSURANCE & OVERSEAS MANAGED FUNDS

71, Lombard St., EC3. 01-623 1288

Black Horse Man. Fd.	233.44		.....	—
Managed Inv. Fd.	157.35	165.64	.....	—
Property Fd.	151.07	159.03	.....	—
Fixed Interest Fd.	147.14	154.89	.....	—
Cash Fd.	135.95	143.11	.....	—
Income Fd.	171.47	180.50	.....	—
Extra Income Fd.	162.17	170.71	.....	—
Worldwide Growth Fd.	231.62	243.83	.....	—
Balanced Fd.	172.42	181.50	.....	—
Smlr Co's & Recv. Fd	203.25	213.95	.....	—
Int. Technology Fd	270.97	285.24	.....	—
Nth. Amer. & Gen. Fd.	160.18	170.14	.....	—
Energy Int. Fd.	107.69	113.36	.....	—
Pacific Basin Fund	132.41	139.38	.....	—

British National Life Assurance Co. Ltd.
Harlands Rd, Haywards Heath. 0444 414111

Managed	112.0	117.8	−0.1	—
Property	106.2	112.9	+1.4	—
Equity	112.3	118.2	−1.3	—
International	128.5	135.2	−0.3	—
Fixed Interest	101.6	106.9	+0.1	—
Deposit	99.3	104.5	+0.1	—
Managed Pen. Cap.	112.4	118.3	−0.2	—
Property Pens. Cap.	106.2	111.7	+1.6	—
Equity Pens. Cap.	105.8	111.4	−2.1	—
Intnl. Pens. Cap.	137.5	141.6	−0.4	—
Fixed Int. Pens. Cap.	99.2	104.4	.....	—
Deposit Pens. Cap.	97.2	102.4	+0.1	—

Canada Life Group
2-6, High St., Potters Bar, Herts. P. Bar 51122

Equity Gth Sept 29		96.5	.....	—
Rtmt. Fed. Aug 6		255.4	.....	—
Managed Pen Fund	177.0	186.3	.....	—
Property Pen Fund	114.0	120.0	.....	—
Index Lnkd Pen Fund	111.6	117.4	.....	—
Managed	119.4	125.7	+0.8	—
Property	104.0	109.5	.....	—
Gilt and Fixed Interest	106.0	111.6	+0.6	—
Index-Linked	98.4	103.6	+0.3	—
Equity	116.2	122.4	+0.1	—
Cash	103.5	109.0	.....	—
Midland Bk. Unit Tst.	115.8	121.9	+0.4	—
Midland Bank Intnl.	137.4	144.7	+0.3	—

Cannon Assurance Ltd.
1 Olympic Way, Wembley HA9 0NB. 01-902 8876

G.T. Management Ltd.
16 Finsbury Circus, Lond. EC2M 7DJ. 01-628 8131

G.T. Plan Bond Fund	123.2	129.7	+0.3	—
GT Pln High Yld Fnd.	114.1	120.2	+1.6	—
GT Plan Far East Fnd	111.2	117.1	+0.1	—
GT Plan N. Am Fd.	135.5	142.7	−1.4	—
GT Pln UK&G.E. Fnd	127.7	134.5	+2.8	—
GT Pln Wrldwde Fnd.	131.1	138.0	−1.9	—
GT Pension Bnd Fnd.	133.0	140.0	+0.2	—
GT Pen High Yld Fd	129.2	136.0	+1.8	—
GT Pen Far East Fd	134.7	141.8	+0.3	—
GT Pen N. Am. Fd	195.7	206.3	−2.7	—
GT Pen UK & G.E. Fd.	147.9	155.7	+2.8	—
GT Pen Worldwide Fd.	139.2	146.6	−2.3	—

Prices for Accum. Units only.

Assicurazioni GENERALI S.p.A.
117, Fenchurch St., EC3M 5DY. 01-488 0733

Intl. Managed Bond	166.9	175.7	.....	—

General Portfolio Life Ins. C. Ltd.
Crossbrook St., Cheshunt, Herts. Waltham X 31971

Portfolio Fd. Acc.	247.0	−2.3	.....	—
Portfolio Fd. Init.		204.2	.....	—
Portfolio Fd. Cap.		235.8	.....	—
Investment A uts	246.9	260.0	.....	—

Gresham Unit Ass. Ltd.
2-6, Prince of Wales Rd. B'mouth. 0202 767655

Managed Fd.	267.0	281.3	.....	—
Money Fd	155.2	163.4	.....	—
Equity Fd.	224.8	236.9	.....	—
Fixed Int. Fd.	116.0	122.2	.....	—
Property Fd	171.0	180.2	.....	—
Managed Pen. Fd.	245.3	258.5	.....	—
Equity Pension Fd	182.6	192.4	.....	—
Fixed Int. Pen. Fd.	162.9	171.7	.....	—
High Yield Pen. Fd.	161.0	169.6	.....	—
Money Pension Fd.	127.7	134.5	.....	—
Property Pension Fd	126.9	133.7	.....	—

Gresham/Fraulington

American & Gen. Fd.	254.3	268.0	−4.8	—
Income Fd	177.6	187.1	+1.6	—
Int'l. Growth Fd	265.2	279.4	−3.1	—
Capital Fund	186.8	196.8	+0.3	—
Recovery Fund	142.1	149.7	−0.4	—

Growth & Sec. Life Ass. Soc. Ltd.
48, Conduit Fruit Exchange, E1 6EU 01-377 1122

OFFSHORE AND OVERSEAS

NOTES

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BRITISH FUNDS

1983 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
"Shorts" (Lives up to Five Years)						
102	100	Exch. 13½pc '83	100xd	–½	—	—
100	98½	Exch. 10pc 1983	100	–	9.99	9.34
99¼	96¼	Funding 5½pc '82-84‡‡	99⅛	+	5.55	9.31
101¼	99½	Exch. 11¼pc 1984	100	+	11.17	8.76
104⅝	100	Exchequer 14pc 1984	102⅝xd	+	13.64	9.34
96⅛	92½	Exch. 3pc 1984	96⅛	+	3.12	9.17
102	100	Treasury 12pc 1984	102	+½	11.74	9.43
107	104	Treasury 15pc 1985	105¾	+	14.18	10.16
107	101	Exch. 12pc Cnv. '85	102½	+	11.71	10.04
92⅝	88⅝	Treasury 3pc 1985	92⅝xd	+	3.23	8.05
102½	99⅛	Treasury 11½pc 1985	101⅞	+	11.28	10.22
102	95	Treas 8¾pcCnv '85	98	+	8.92	9.91
103⅝	100⅛	Exch. 12¼pc 1985	103⅛	+	11.87	10.56
102⅝	99	Exch. 11¼pc '86	102	+	11.51	10.87
101⅛	97¼	Treas 10pc Cnv 1986	99	+	10.03	10.11
88½	85⅝	Treasury 3pc 1986	87¾xd	+	3.41	8.39
101	97	Exch. 10½pc Cv '86	100xd	+	10.50	10.53
103	100	Treasury 12pc '86	102½	+¼	11.70	10.84
95⅝	94⅜	Treasury 8¼pc '84-86‡‡	95⅝	+¼	8.91	10.46
114	105¼	Treas. 12¼pc '86 Cnv.	107½	+¼	11.39	9.03
109	105	Exch. 14pc 1986	107xd	+	13.00	10.93
107¾	103¾	Exch. 13¼pc 1987	105¾	+	12.52	11.05
98	95⅞	Tr 10¼pc Cv '87	98⅜	+	10.41	10.81
84	80¼	Exchequer 2½pc 1987	82¾	.....	3.02	8.54
100	95⅞	Exch. 10½pc 1987	98	+	10.62	10.91
93¼	88¼	Funding 6½pc '85-87‡‡	89⅞xd	+¼	7.23	9.99
61	59⅞	Treas. 10pc '87 (£50pd)	60	+¼	10.27	10.57
86	80¼	Treasury 3pc 1987	81⅝	+	3.67	8.89
104⅝	99⅞	Treas 12pc 1987	103xd	+¼	11.64	11.03
93¼	89⅝	Treasury 7¾pc '85-88‡‡	90½	+½	8.56	10.55
101½	95½	Exch 10½pc '88	98xd	+¼	10.66	11.96
30⅛	29	Treas 9¾pcCv88(£30pd)s	29	+¼	10.13	10.78
81½	75⅝	Transport 3pc '78-88	77⅞	+⅛	3.85	8.86
Five to Fifteen Years						
96⅝	90¼	Treas. 9½pc '88	94½xd	+	10.06	10.98
104⅝	95¼	Treasury 11½pc 1989	103½	+½	11.33	11.09
102	94¼	Treas 10½pc 1989	102	+	10.78	11.11
83¼	76	Treasury 5pc '86-89	79¼	+¼	6.28	9.55
112½	103	Treasury 13pc 1990‡‡	111⅛	+½	12.06	11.20
108⅝	100⅝	Exch. 12½pc 1990	106¼	+½	11.83	11.23
92	86¼	Treasury 8¼pc '87-90‡‡	91⅝	+¼	9.29	10.63
106¼	97	Treasury 11¾pc 1991	105½	+½	11.51	11.29
83	74⅝	Funding 5¾pc '87-91‡‡	78⅞	+⅜	7.32	9.88
103	95⅞	Exch. 11pc 1991	99½xd	+½	11.05	11.09
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Over Fifteen Years

Undated

Index-Linked

Prospective real redemption rate on projected inflation of (1) 10% and (2) 7%.

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Central African

MINES—continued

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
		Australians					
26½	13½	♥ACM 20c	17½	+½	—	—	—
52	32	Allstate Expln NL	39	......	—	—	—
40	9	♥Australis Mng NL	25½	......	—	—	—
25	11	Balmoral Resources	16	−1	—	—	—
60	37	♥Black Hill Mins.	40	+1	—	—	—
85	51	♥Bond Corp.	68	+1½	Q10c	♦	9.5
183	116	♥Bougainville 1 Kina	146	+2	[illegible]	1.2	1.4
372	204	♥CRA 50c	331	+1	Q3c	—	0.6
145	60	♥Carr Boyd 20c	68	......	—	—	—
38	25	♥Central Kalgoorlie	33	......	—	—	—
43	18	♥Central Pacific	25	−2	—	—	—
9	2¼	♥Cons Gold Mng Areas.	3	......	—	—	—
17	5	♥Coopers Res N.L.	10½	......	—	—	—

Tins

Miscellaneous

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Principal and interest tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK Listed: dealings permitted under Rule 163(4)(a).
- ♣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(3).
- $ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- ♦ Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ♦♦ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. D Issue price. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or other official estimates for 1982-83. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv. 20p	62	......	Fin. 13% 97/02	£95⅝	+⅛
Bdg'wtr. Est. 50p	280	......	Alliance Gas	75	−3
Craig & Rose £1	£10½	......	Arnott	285	......
Finlay Pkg. 5p	35	−1	Carroll (P.J.)	109	−2
Higsons Brew	85	......	Concrete Prods.	75	......
Holt (Jos) 25p	900	......	Heton (Hldgs.)	14	......
I.O.M. Stm. £1	130	......	Irish Ropes	34	......
IRISH			Jacob	61	......
			T.M.G.	85	......
Nat. 9¾% 84/89	£88⅞	+⅛	Unidare	74	......

For Craig see Shipping
For Pearce (C. H.) see Buildings

OPTIONS

3-month Call Rates

Industrials		House of Fraser	20	Utd. Drapery	22
Allied-Lyons	13	I.C.I.	45	Vickers	12
BOC Grp.	20	"Imps"	11	Woolworth Hld.	30
B.S.R.	20	I.C.L.	7		
Babcock	15	Ladbroke	22	**Property**	
Barclays Bank	45	Legal & Gen.	45	Brit. Land	8½
Beecham	32	Lex Service	32	Cap. Counties	14
Blue Circle	45	Lloyds Bank	48	Land Sec.	28
Boots	16	"Lots"	4	MEPC	28
Bowaters	22	London Brick	10	Peachey	16
Brit. Aerospace	19	Lucas Inds.	15	Samuel Props.	11
B.A.T.	14	"Mams"	14	Town & City	4
Brown (J.)	3½	Mrks. & Spncr	20		
Burton Ord.	35	Midland Bank	40	**Oils**	
Cadburys	11	N.E.I.	10	Brit. Petroleum	38
Courtaulds	10	Nat. West. Bank	55	Burmah Oil	17
Debenhams	16	P & O Dfd.	21	Charterhall	9
Distillers	20	Plessey	19	KCA	6
Dunlop	6	Racal Elect.	20	Premier	4
Eagle Star	48	R.H.M.	7	Shell	35
F.N.F.C.	3½	Rank Org. Ord.	20	Tricentrol	22
Gen. Accident	42	Reed Intnl.	32	Ultramar	65
Gen. Electric	18	Sears	8		
Glaxo	75	T.I.	19	**Mines**	
Grand Met.	30	Tesco	17	Charter Cons.	24
G.U.S. 'A'	50	Thorn EMI	55	Cons. Gold	58
Guardian	45	Trusthouse	16	Lonrho	9
G.K.N.	16	Turner & Newall.	7	Rio T. Zinc	62
Hawker Sidd	28	Unilever	70		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 26

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FINANCIAL TIMES
Saturday October 22 1983

Ultramar
Bontang LNG Plant expansion complete

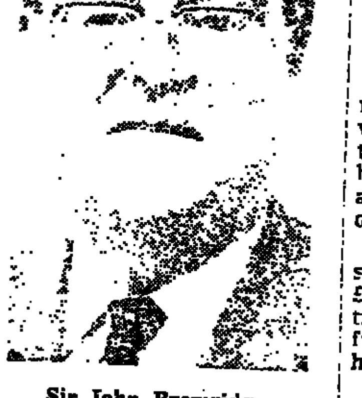
MAN IN THE NEWS

Toad or Pooh in Hong Kong

Sir John Bremridge, Hong Kong's financial secretary, does not lend himself to easy description. Devotees of A. A. Milne and Kenneth Grahame would be tempted to draw a parallel, on the basis of what others say of him, with the brash Mr Toad. Sir John's descriptions of himself, as someone who sits by and watches the world go round without being able or wishing to do much about it, conjures up images more akin to Winnie-the-Pooh.

He is described, variously, as an "unguided missile" but a "good egg." Sir John smiles affably says. "I'm just a fat, retreaded businessman."

Sir John's performance this week in presenting and implementing a major change in the territory's monetary policy in an effort to shore up the ailing Hong Kong dollar has been cool and measured. The markets, at least, have



Sir John Bremridge

given him a provisional vote of confidence and the measures, prepared with the Bank of England's help, have been welcomed as intelligent.

Sir John took over as financial secretary two years ago from Sir Philip Haddon-Cave, the Colony's present Chief Secretary. Sir John's appointment raised a few eyebrows. The two men could hardly have been more different. Sir Philip is a scholarly, dry career civil servant who is intellectually rigorous in his dealings. Sir John, say professional Bremridge-watchers who abound in Hong Kong's fishbowl, is more of a "street fighter" who has been known to storm around his office berating juniors with four letter words.

His performance as Chairman of John Swire and Sons (Hong Kong) for eight years received mixed reviews. He was said to be "too cautious," by some ex-colleagues. Sir John points out that in his time Swires made healthy profits, expanded and turned Cathay Pacific into a world airline.

The job of Financial Secretary—previously colonial treasurer has changed dramtically over the years. It now needs more than just a benevolent custodian to keep a distant eye on the workings of a totally free market. Hong Kong has become a highly sophisticated and sometimes volatile economy, with an expanding industrial sector and the third largest foreign exchange market in the world.

The self-deprecating Sir John attributes his ability in managing this increasingly complex mechanism to the "very good advice I get from people around me."

Since arriving in Hong Kong from university in 1949 to join Swires, Sir John has held a wide variety of posts including seats on the Legislative Council, a partially-elected body and the appointed Executive Council.

Sir John freely admits that Hong Kong, with its extremes of wealth and poverty, is "a cruel place," but, he says, "it's done incredibly well precisely because it is so free. it started from scratch at the end of the war. Nothing. Now the disposable income of a bus driver here is higher than his counterparts in London."

He does not, however, condone the more outraged excesses of Hong Kong's free-wheeling system. Referring to the arrests of some leading figures in the wake of the collapse of the Carrian group—and the possibility of further arrests—he says "there will be no whitewash and I think it would do this place no end of good if a few top people went to jail." A typical comment which sends his public relations aides reaching for their cliches.

Miners to ban overtime in pay and closures protest

BY JOHN LLOYD, INDUSTRIAL EDITOR

BRITAIN'S 190,000 mineworkers will start a "total" overtime ban from Monday week in protest against the National Coal Board's 5.2 per cent wage offer and its accelerating pit closure programme.

The decision, taken yesterday at a conference in London attended by delegates from every coalfield, was unanimous, said Mr Arthur Scargill, the National Union of Mineworkers' president.

He said that the meeting was unique, as the rank-and-file expressed their wish without guidance from the leadership.

This contrasts with previous calls by the union executive for strike action against closures and wage offers. The mineworkers rejected those calls.

The significance of what Mr Scargill called the "total" ban is that safety work in the pits, normally performed at the weekend on overtime, will not be done.

This means that it must be done when work resumes on Monday morning, involving much greater loss of coal than is lost by stopping overtime on the coal face.

Between 10 and 14 per cent of present output is gained during overtime.

The Coal Board is unworried by the effects of the ban. It says more than 50m tonnes of coal are in its own or its customers' hands. This is enough for several months' consumption.

There appears little present possibility of a negotiated settlement. The Coal Board has said that its 5.2 per cent offer on basic rates is final and did not move from that position yesterday.

Mr Ian MacGregor, the chairman, has said that the closure programme must continue at the rate set by Sir Norman Siddall, his predecessor, or faster. He will make a speech on the industry to the NUM white-collar section's conference in Wallsend on Sunday.

This would appear to give Mr Scargill and his colleagues little room for manoeuvre, though it is possible that further concessions on productivity may be made in future talks.

Mr Scargill said after the three-hour delegates' meeting: "I emphasise that the decision to impose a total overtime ban is only the first step in our campaign to save our industry, our jobs, and get a living standard which is at least equal to that which we enjoyed in 1974."

He said that further industrial action "will be down to the membership of this union."

Late Mr Scargill met Mr Ned Smith, the Coal Board's industrial relations director, on a separate, and undisclosed, issue, and gave notice of a formal request to meet the board

Maintenance move, Page 5

Europe fights U.S. on shipping

BY ANDREW FISHER, SHIPPING CORRESPONDENT

WESTERN EUROPEAN governments will try next month to divert the U.S. from policies they feel could increase protectionism in world shipping. UK officials say that if the attempt fails, shipping relations between the two sides could be seriously damaged.

The main isue is liner trade (scheduled cargo services) between industrialised and developing countries. This accounts for about 30 per cent of world liner business.

Leading European shipping nations such as the UK, Norway, and Denmark are worried that more bilateral deals between developing countries and the U.S. could crowd them out of certain routes.

Some two-thirds of British shipping revenues of about £2.7bn a year derive from cross-trading between ports away from home. The percentage is higher for Nordic countries.

Officials who will be involved in the talks say they could lead either to a breakthrough or a breakdown in shipping relations between the two sides. There have been four meetings in the last 16 months.

The next talks, which start in London on October 31, are aimed at reconciling the European desire to keep major routes open to all competitors with the U.S. view, which combines scepticism of conferences (groupings of lines which agree rates and schedules) with opposition to the new United Nations' liner code.

The European team will be led by Mr Tony Lane, who is in charge of the shipping policy division at the UK Department of Transport. He will head the Consultative Shipping Group of EEC and Nordic countries and Japan.

The UN liner code, which came into effect on October 6, seeks to allot conference line trade equally between importing and exporting countries, with a possible 20 per cent left over for cross-traders.

EEC countries have agreed to ratify the code on the basis of a compromise, which aims to satisfy developing country shipping aspirations and at the same time maintain free trade in cargoes between industrialised countries.

The U.S. has refused to sign, regarding the code as protectionist. It has bilateral deals with countries such as Brazil and Argentina. Others, including Indonesia, the Philippines, South Korea and Venezuela are pushing for similar deals.

So far the U.S. has resisted pressure for further agreements. It wants guarantees that its lines can have access to trade covered by conferences. U.S. law severely restricts U.S. lines' participation in conferences.

The Europeans argue that the closed conference system does not prevent non-conference, or outsider, lines coming into routes at cheaper, competitive rates, as has often happened in recent years.

They propose that both sides agree to oppose any developing nation which seeks bilateral deals excluding lines of third countries, and to agree on co-ordinated resistance to this.

City set to invest in Zimbabwe

BY RAY MAUGHAN

FUND MANAGERS in the City are set to invest in Zimbabwe for the first time since the country's independence in April 1980.

Aberfoyle, a Zimbabwean tea plantation company, plans to move from Eire to the UK, to lease loss-making estates to Zimbabwean interests and to pay £1.2m for four farming, textiles and industrial companies near Harare. It will have the support of the Globe, Electra, M & G and John Govett investment houses in London.

The companies are being sold by a subsidiary of Permodolan Nasional Berhad, the state-backed national equity corporation of Malaysia which acquired the Zimbabwean assets when it took over Guthrie Corporation for £282.5m in September 1981.

The buyers comprise the Igoe family trusts, which control Aberfoyle, and Zimbabwean investment interests headed by Mr Crispin Mandizvidza. They have set up a company, Flamehope.

Aberfoyle is to acquire Flamehope through a placing of 6.6m shares at 10p a share. The issue has been underwritten by the M & G and John Govett City investment funds. Globe, Electra and other insiuions will subscribe for Flamehope's £600,000 12 per cen loan stock and private funds managed by Hoare, Govett, the stockbroking firm, are likely to take equity stake.

The board will be headed by Mr Ian Coates, chief executive of Guthrie until the Permodolan takeover. He said yesterday he had put the deal together with the Igoe family over the past 12 months. He has bought Associated Textiles, a T-shirt and underwear manufacturer, Kintyre Estates, which owns a dairy herd, the Stansfield Ratcliffe auto-electrical engineers, and Angus, the Zimbabwean arm of the Angus Fire Armour group which Guthrie acquired from Dunlop for £20m in 1980. They made profits of £622,000 last year.

Continued from Page 1

Voters may trip Minister

declared that the Queensland budget would be presented by "public proclamation" and then named a day for the elections—claiming that the National Party would win enough seats to govern in its own right. October 22 would be the date for a last-ditch stand against socialism, he said, and warned Queenslanders that to vote Labor meant risking "having the coats off their backs and their dresses torn."

Queensland has only one parliamentary chamber, the 82-member Legislative Assembly. At present, the National Party has 36 members, the Liberals 20, and the Australian Labor Party 25, with one independent.

In the latest opinion polls, Labor is shown to have improved its support from 42 per cent at the state election in November 1980 to 46 per cent, the National Party to have 36 per cent of the votes, and the Liberals to have slumped to 16 per cent.

In the Queensland vernacular, the Liberal's Terry White is said to have been given the "rough end of the pineapple." His own seat is in danger and his party in disarray.

The Liberals are still likely to hold the balance of power, however, unless Labor, under Mr Keith Wright, a lay preacher, can breast the 50 per cent barrier, which even under Queensland's notorious electoral zoning system, would give Labor power. In 1977, the National Party won only 27 per cent of votes cast, but won 42 per cent of the seats.

To non-Queenslanders the sunshine state is synonymous with sybaritism, racism and bar-room politics, as well as great rural and mining wealth.

Its civil liberties record is appalling, its treatment of Aboriginals an embarrassment, its population much less urbanised and generally much less educated than other Australians, and the behaviour of its political leaders a source of alternating horror and amusement.

Mr Neville Bonner, an Aboriginal and former Queensland Liberal senator, has said he would not trust certain Queensland ministers "with a sick dingo."

To Mr Bjelke-Petersen—long scourge of Labor Administrations outside Queensland, particularly the Federal Labor Government of Mr Gough Whitlam, which was dismissed in 1975—Queensland is not so much a part of Australia as the business capital of the south Pacific.

Twice the size of Texas, Queensland has enormous mineral and pastoral wealth, including proven coal reserves of 27,000bn tonnes, the largest bauxite mining and shipping centre in the world (Weipa), a fully integrated aluminium industry and one of the world's richest and most profitable copper, silver, lead and zinc mines (Mount Isa).

Manufacturing and processing output is worth more than A$3bn (£1.83bn) a year. Tourism earns more than A$1.5bn, with almost A$500m worth of new resort projects, plus two casinos, planned along the state's shimmering coast. It is even an expressed aim of the state government to obtain a uranium enrichment plant.

Yet, times are tough and Queensland has been as much affected by recession and poor commodity prices, to say nothing of drought, fires and floods, as other Australian States.

Unemployment is above the national average, though the Premier is fond of pointing to the high rate of migration to the sunshine state. "It never stops. If you stood down there at the border with a stick you could not stop them."

Mr Wright, of the Labor Party has stressed the promise of unity and stability in his campaign speeches. He claims that Queensland's present electoral system is "a disgrace to democratic ideals and practice."

On the other hand, Mr Bjelke-Petersen claims: "Unlike the Labor States, Queensland is on the move." That is vigorously denied by the Federal Labor Government, in particular, by Mr Bob Hawke, the Prime Minister, and by Senator Peter Walsh, Federal Minister for Resources and Energy, who told the Senate in Canberra: "Queensland is in a desperate and rapidly deteriorating economic position."

The only thing that is certain is that the arguing, cursing and name-calling will continue long after Queensland's polling booths close tonight.

Building societies end rate cartel

By David Lascelles, Banking Correspondent

BUILDING SOCIETIES yesterday agreed to scrap the remains of their 150-year interest rate cartel. They will now set their own savings and mortgage rates although they will still consult closely.

The decision was regarded as inevitable after Abbey National, the UK's second largest and most aggressive building society, quit the cartel last month. Some members had hoped to save it but their efforts collapsed this week when Abbey refused to rejoin.

By a coincidence Mr Clive Thornton, Abbey's chief general manager, yesterday announced that he was resigning to become executive chairman of Mirror Group Newspapers.

The decision of the council of the Building Societies' Association, which was unanimous, will make little difference, at least in the short term. Mortgage and savings rates will continue to move much as before.

However, there could be more frequent rate changes and differences in the rates set by various societies. More intense competition could shake out the industry's weaker members.

The council has abolished the association's practice of "recommending" what members should pay on share accounts and charge for mortgages. Societies also had to give 28 days' notice of changes on rates not covered by the cartel—mainly long-term deposits.

In future the association will only "advise" rates, leaving members free to set their own. The 28-day rule will go, but societies will talk to the association about their plans and "give adequate notice of their intentions." To help consultation, the association will set up a system for societies to swap rate information.

Mr Herbert Walden, association council chairman, said: "There is an inevitable move towards greater competition within the building society industry and between building societies and other institutions.

"The method of setting rates of interest has to acknowledge this trend while at the same time giving a measure of protection to building society customers, in particular to borrowers."

Defenders of the cartel said it helped to keep mortgage rates down by limiting competition. They fear its end could put upward pressure on mortgage rates by forcing societies to compete more aggressively for deposits.

Weather

UK TODAY

MOSTLY dry with sunny periods.

London, S.E., Central South, E., Central North, N.E. England, Midlands, Wales, Borders
Dry, fog patches clearing, sunny periods. Max. 13C. (55F.).

S.W., N.W. England, S.W. Scotland, Edinburgh and Dundee, Aberdeen
Mainly dry, sunny periods. Max. 13C. (55F.).

Rest of Scotland, N. Ireland
Mainly dry, sunny intervals, becoming cloudy. Max 12C. (54F.).

Outlook: Dry and sunny, rain spreading south.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	21	70	Luxmbg.	F	7	45
Algiers	S	26	79	Madeira	F	22	72
Amsdm.	F	10	50	Madrid	S	21	70
Athens	F	21	70	Majorca	S	19	66
Bahrain	S	28	82	Malaga	S	25	73
Barclna.	S	22	72	Malta	S	22	72
Beirut	S	27	81	M'chstr.	F	10	50
Belfast	S	10	50	Melbne.	S	15	59
Belgrd.	C	11	52	Mx. C.†	—	—	—
Berlin	F	10	50	Miami†	—	—	—
Biarritz	S	17	63	Milan	S	19	66
Bmghm.	F	10	50	Montrl.†	—	—	—
Blackpl.	S	10	50	Moscow	C	7	45
Bombay	S	32	90	Munich	C	7	45
Bordx.	F	16	61	Nairobi	F	27	81
Boulgn.	F	12	54	Naples	S	23	73
Bristol	S	11	52	Nassau	—	—	—
Brussels	F	11	52	Nwcstl	S	10	50
Budpst.	F	12	54	N Delhi	S	29	82
Cairo	—	—	—	N.York†	—	—	—
Cardiff	S	10	50	Nice	S	21	70
Cape T.	S	23	73	Nicosia	—	—	—
Chicg.†	—	—	—	Oporto	S	17	63
Cologne	[illegible]	[illegible]	[illegible]	Oslo	[illegible]	[illegible]	[illegible]
Conhgn.	[illegible]	[illegible]	[illegible]	Paris	[illegible]	[illegible]	[illegible]
Corfu	[illegible]	[illegible]	[illegible]	Peking	[illegible]	[illegible]	[illegible]
Dallas	—	—	—	Perth	[illegible]	[illegible]	[illegible]
Dublin	[illegible]	[illegible]	[illegible]	Prague	[illegible]	[illegible]	[illegible]
Dbrvnk.	[illegible]	[illegible]	[illegible]	Reykjvk.	[illegible]	[illegible]	[illegible]
Ednbgh.	[illegible]	[illegible]	[illegible]	Rhodes	[illegible]	[illegible]	[illegible]
Faro	[illegible]	[illegible]	[illegible]	Rio J'o†	[illegible]	[illegible]	[illegible]
Florence	[illegible]	[illegible]	[illegible]	Rome	[illegible]	[illegible]	[illegible]
Frankft.	[illegible]	[illegible]	[illegible]	Salzbrg.	[illegible]	[illegible]	[illegible]
Geneva	[illegible]	[illegible]	[illegible]	S'frisco†	[illegible]	[illegible]	[illegible]
Gibrltr.	[illegible]	[illegible]	[illegible]	Singapr.	[illegible]	[illegible]	[illegible]
Gl'sg'w	[illegible]	[illegible]	[illegible]	Stckhm.	[illegible]	[illegible]	[illegible]
G'nsey	[illegible]	[illegible]	[illegible]	Strasbg.	[illegible]	[illegible]	[illegible]
Helsinki	[illegible]	[illegible]	[illegible]	Sydney	[illegible]	[illegible]	[illegible]
H. Kong	[illegible]	[illegible]	[illegible]	Tangier	[illegible]	[illegible]	[illegible]
Innsbrk.	[illegible]	[illegible]	[illegible]	Tel Aviv	[illegible]	[illegible]	[illegible]
Invrnss.	[illegible]	[illegible]	[illegible]	Tenerife	[illegible]	[illegible]	[illegible]
I.o.Man	[illegible]	[illegible]	[illegible]	Tokyo	[illegible]	[illegible]	[illegible]
Istanbul	[illegible]	[illegible]	[illegible]	Toronto†	[illegible]	[illegible]	[illegible]
Jersey	[illegible]	[illegible]	[illegible]	Tunis	[illegible]	[illegible]	[illegible]
Jo'burg	[illegible]	[illegible]	[illegible]	Valencia	[illegible]	[illegible]	[illegible]
L. Plms.	[illegible]	[illegible]	[illegible]	Venice	[illegible]	[illegible]	[illegible]
Lisbon	[illegible]	[illegible]	[illegible]	Vienna	[illegible]	[illegible]	[illegible]
Locarno	[illegible]	[illegible]	[illegible]	Warsaw	[illegible]	[illegible]	[illegible]
London	[illegible]	[illegible]	[illegible]	Zurich	[illegible]	[illegible]	[illegible]
L.Ang.†	—	—	—				

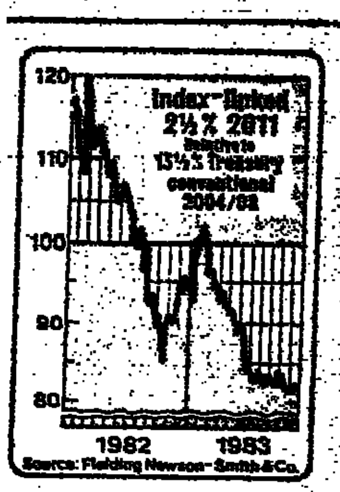
C—Cloudy F—Fair R—Rain S—Sunny
† Noon GMT temperatures.

THE LEX COLUMN

Societies build a new order

The Chancellor's verbal attack on inflation on Thursday evening brought some life into the gilt-edged market yesterday and prices at the long end finished about two points up on the week. The same could not be said for equities, which drifted down to leave Thursday's dramatic jump looking more a flash in the pan than a new leg to the bull market.

Index fell 1.2 to 689.8



Source: Fielding Newson-Smith & Co.

Building societies

The Building Societies Association is an organisation which tends to do things by halves. Yesterday it ran true to form with a delphic statement to the effect that its present system of recommended interest rates is to be replaced—wait for it—by a system of advised interest rates.

For the association's members, however, the announcement is more than just an exercise in semantics. Its effect is to sweep away the notice period which societies have traditionally given before adjusting their rates and so to encourage price competition within the industry. The cartel seems finally to be giving up the ghost.

Yesterday's move had looked unavoidable in the light of Abbey National's decision early last month to opt out of the interest-rate cartel. But even the departure of that society's chief general manager, Mr Clive Thornton, to the more turbulent waters of Mirror Group Newspapers will not weaken the pressure fore change on the building society movement.

At present, the societies are effectively cushioned by their highly competitive position in the savings market. The clearing banks, which are offering 5.85 per cent net of tax on seven day deposits, cannot hope to compete either with national savings or with the societies, where a comparable rate of 8.25 per cent is common. The societies should this month attract the highest level of net receipts ever—a figure comfortably over £1bn is expected—at a time when the savings ratio is plumbing new depths.

That happy situation is unlikely to persist for long, however. Quite apart from the likelihood that the clearers will strengthen their competitive position in order to cover a higher proportion of their retail network overheads, the large societies in particular will be tempted to adjust their deposit rates to gain market share. The societies will also be meeting competition from new entrants to the savings market. The introduction this week of a service from Hambro Life for the saver who has everything represented yet another attack on the societies' turf.

The changes in the funding structure of the big societies had in any case made advance notice of interest rate changes look impractical. They have moved with considerable success into the certificate of deposit market, attracting one month money at a premium of only ⅛ over comparable commercial bank paper and progressively breaking down the resistance even of the clearers. Roughly £400m of building society CD's is currently outstanding and that at a time when the societies have little need for wholesale funds.

These developments will all make life more difficult for the smaller societies, which have only limited access to wholesale funds and may lack both the capital base and the liquidity to take on the giants.

A further concentration of the industry looks unavoidable, and whatever Parliament enacts in the forthcoming building society legislation—greater competition and more rapid changes in posted interest rates will ensue. The cost will presumably be passed on to the mortgagee but, for the saver, the trend will be most welcome.

Brengreen/Sunlight

After a season of competitive bidding during which almost every laundry or cleaning company in the land seems to have launched bids for every other, laundry shareholders will probably feel relief when the final whistle blows next Wednesday on Brengreen's offer for Sunlight.

Brengreen's offer has been propelled by the wish to present a plausible face in tendering for contracts when hospital ancillary services are farmed out into the private sector. Brengreen's chances would be improved by the addition of some laundries to its existing strength in cleaning. The advantages for Sunlight are said to be complementary, according to Brengreen, Sunlight's claims as a cleaning contractor are not to be taken seriously.

Yet Sunlight's cleaning activity accounts for more than a fifth of its £36m turnover, and if expansion in that field is necessary to gain hospital contracts, the capital needs are too modest to present much of a barrier. By contrast, for Brengreen to move into laundries in a big way, other than by a paper acquisition, might be a slow and cash-consuming process.

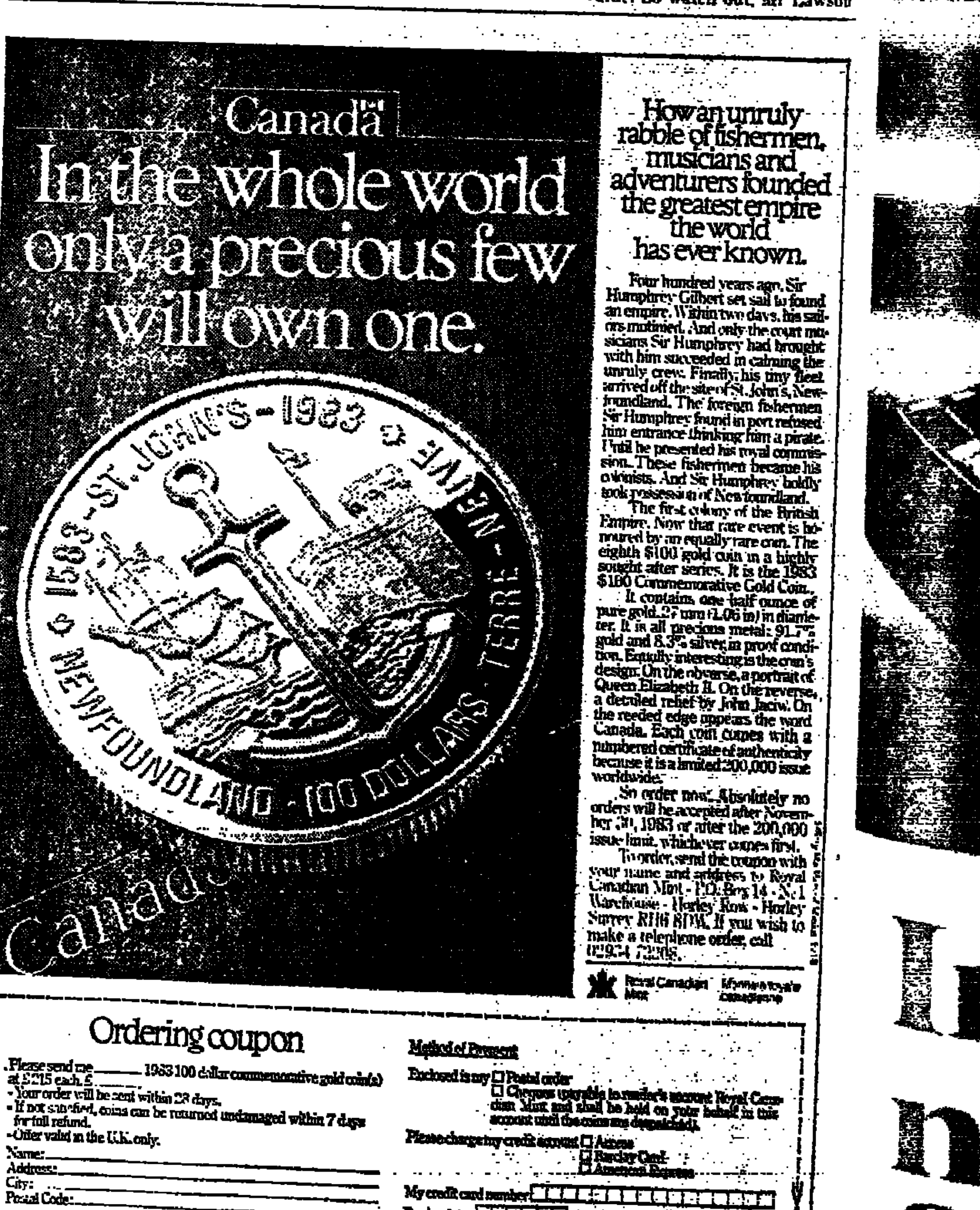
The best course for Sunlight shareholders is probably to stay with the company. Brengreen's offer has pushed Sunlight shares up to 287p, but even here the p/e is no more than 15—hardly extravagant for a company growing at 20 per cent a year. Brengreen, by contrast, spots a muliple of only a shade under 40.

Indexed stocks

The Treasury seems to be its own worst enemy when it comes to achieving sales of index-linked stock. No sooner had it asked the Government Broker to go out and sell £750m of a new ultra-long stock—providing an inflation hedge all the way out to 2020—than the Chancellor issues a statement informing the market that inflation would almost immediately cease to exist.

The chance of this message being taken with complete seriousness is small. But the performance of indexed stocks in the 2½ years since their introduction has been rather dim; the precipitate fall in inflation gave far too much room for a tumble in the nominal yields on conventional stocks.

A hundred years ago, when prices were regularly falling, would perhaps have been the ideal time for a Chancellor to have tried selling an index linked stock dated 1920. Despite stable prices he might have hoped to persuade investors that a high running real yield would compensate for a falling nominal redemption value. Actually, the stock would have had to be redeemed—after the Great War quadrupled the price level—at about 2½ times its original par value. So watch out, Mr Lawson.



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